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ASEAN PLANS FOR RESEARCH ON NONCONVENTIONAL ENERGY

Kuala Lumpur BUSINESS TIMES in English 2 May 81 p 10

[Excerpts] IN EFFORTS to develop non-conventional energy sources, Asean member countries have outlined 10 priority areas for studies and investigation. It is estimated that US\$12.7 million (M\$38.1 million) will be required to carry out the work.

The Asean working group on non-conventional energy research has suggested work on solar refrigeration and air conditioning to be undertaken by Singapore at an estimated cost of US\$1.64 million (M\$4.92 million).

Thailand has been assigned research on solar electric power systems, estimated to cost US\$1.45 million (M\$4.35 million) and on wind energy at a cost of about US\$495,000 (M\$1.49 million).

Malaysia has been assigned two projects estimated to cost US\$699,900. The first is research into solar drying at a cost of US\$412,900 (M\$1.24 million) and solar pumping at an estimated cost of US\$287,000 (M\$861,000).

Research into bio-energy conversion will be undertaken by the Philippines at an estimated cost of US\$4.58 million (M\$13.74 million). The Philippines has also been assigned research into geothermal energy and asked to undertake an energy inventory which is estimated to cost US\$1.04 million (M\$3.12 million).

Indonesia, the richest in oil resources among

the five member countries, has been assigned research into coal technology at an estimated cost of US\$1.59 million (M\$4.77 million) and micro-hydro energy at a cost of US\$400,000 (M\$1.2 million). The Republic has substantial coal deposits as well as vast and yet untapped hydro potential.

Indonesia will also undertake the assessment of the various research projects conducted by member countries. The assessment is expected to cost about US\$600,000 (M\$2.4 million).

These priority studies and investigations would include, where necessary, the development, construction and testing of technically feasible and cost-effective prototype systems and plants for local applications.

Further areas of R and D should be identified, and member countries should not undertake the necessary work in a collaborative manner.

It is envisaged that the results would be disseminated widely in all member countries, and the pooling of available expertise would be encouraged.

In addition, the Asean Committee on Industry, Minerals and Energy (Coime) has formed an experts group on non-petroleum commercial energy sources which has also identified its

priority areas.

The committee is to recommend to the Asean economic ministers at their meeting in Indonesia at the end of the month that its work programme on energy cooperation should initially focus on coal, geothermal, hydro and uranium.

The experts working group also proposed that member countries promote Asean-wide equity investments in non-oil energy prospecting. The group suggests that this can be achieved in three ways, namely:

■ Asean host countries may require from companies offering to work as service contractors a minimum Asean equity participation on a scale to be determined by the experts group. This could be allocated equally among the five and be treated on a "right of first refusal" basis. A member shall thus pass on the opportunity to others if it is not interested and the others can then bid for it.

■ Another alternative is for the host countries to give preference in award of service contracts to companies with Asean equity participation. The qualifying minimum percentage is to be determined by the experts group. Preference could be given by assigning to such contractors more promising areas or better fiscal/financial terms.

■ Member countries could organise a region-wide organisation by pooling capital to go into energy prospecting, first within Asean and subsequently outside the region.

Pooled capital could be raised through equal subscription quota and dealt with on the "right of first refusal" basis. However, if the participation of a non-Asean country was required, the guidelines for this should be determined in advance.

The experts group feels that such Asean enterprises should be granted preferential incentives in the form of reduction of royalties, tax cuts, credits and/or additional allowances.

Meanwhile, the Asean Council on Petroleum (Ascop) has since its establishment, started on 38 major work programmes distributed among its working committees.

While most of its programmes in the past were undertaken by Ascop members individually or collectively, more and more programmes are now being developed in cooperation with other international bodies such as the Coordinating Committee for Offshore Prospecting (CCOP) of Escap and the East-West Centre in Honolulu, United Nations Environment Programme and the UN Development Programme.

FOREIGN MINISTER LEAVES FOR BAGHDAD CONFERENCE

Dacca THE BANGLADESH TIMES in English 30 May 81 p 1

[Text] Foreign Minister Prof M. Shamsul Huq said on Friday that Bangladesh and other Muslim countries were bound by a deep, fraternal and cordial relationship.

Talking to the newsmen at Dacca International Airport of Karmitola prior to his departure for Baghdad to attend the annual Islamic Foreign Ministers' Conference there the Foreign Minister said that relationship of Bangladesh with Non-aligned countries were also very cordial.

When his attention was drawn to the observation made by the Leader of the Opposition Mr Asaduzzaman Khan at the Jatiya Sangsad that Muslim countries were not friends of Bangladesh he said, 'This is a misleading and very unkind statement.'

The Bangladesh Foreign Minister is leading a 10-member Bangladesh delegation to the conference that begins on June 1.

He said that Islamic Foreign Ministers' Conference was expected to work out of action programmes in implementing the Mecca Declaration to promote and safeguard political and economic interests of the Muslim countries.

Prof Huq said that Middle East problem, renewed aggression by Israel in Lebanon, Israeli threats against Syria, Afghan situation, Iraq-Iran conflict were the burning problems to be discussed in the Islamic Foreign Ministers' Conference.

3b Dollar Fund

The Foreign Minister referred to the Mecca Declaration adopted in January at the summit level and said that it had urged the Islamic countries to create a three-billion-dollar-fund for the development of the developing countries. The Conference would discuss measures how to build up that fund for the benefit of the developing Islamic countries, he added.

He said that Conference in Baghdad would take concrete measures in regard to the promotion and protection of investment in Islamic countries, formation of an Islamic shipping lines and enlarge the quantum of funds and liberalise the lines of the Islamic Bank in line with the Mecca Declaration.

South Talpatty

When asked whether the issue of Indian forcible occupation of South Talpatty Island would be raised by Bangladesh at the Islamic Foreign Ministers' Conference, Prof Huq said, 'We would take appropriate steps keeping in view our national interests.'

The Foreign Minister reiterated Bangladesh's policy of peace and goodwill as enunciated in the UN Charter and said that Bangladesh was making allout efforts to build up a relationship with the neighbouring countries on the basis of that policy.

No Invitation From India

He observed that good neighbourly relations were built on good faith and mutual trust which the Indian had 'breached'. 'We want good relations with all of our neighbours,' he added.

Replying to a question, the Foreign Minister said that he had not received any formal invitation from the Indian Foreign Minister to visit New Delhi.

CSO: 4220/7991

FOREIGN MINISTER MEETS WITH DIPLOMATIC CORPS

Dacca THE BANGLADESH OBSERVER in English 6 Jun 81 pp 1, 8

[Text] Foreign Minister Prof. M. Shamsul Huq said in Dacca on Friday that Bangladesh would not be deflected from the path charted out by former President Ziaur Rahman for widening and deepening her friendly relations with all nations, reports BSS.

Addressing the heads of missions in Dacca the Foreign Minister explained the situation in Bangladesh following the tragic death of President Zia in Chittagong on May 30 last and reiterated that there was no change in the foreign policy of the country.

He said all bilateral regional and international commitments and agreements would be fully honoured.

He said that Bangladesh would continue to widen and deepen her friendly relations with all nations based on the principles of mutual respect for sovereignty, equality and territorial integrity of all nations, non-interference in the internal affairs of other nations and non-use of force or threat of use of force and peaceful settlement of all disputes.

The Foreign Minister told the Ambassadors that Bangladesh also adheres strictly to the charter of the United Nations, the principles of Non-alignment and the charter of the Organisation of Islamic Conference.

Bangladesh he said will continue to play an active and constructive role as a member of all these organisations and shall not flinch from playing her due part in promoting international cooperation for peace, progress and development.

About the situation in the country Prof. Huq said that "the situation is absolutely normal." He said all the Ministries of the government have also been functioning normally and they have not relented in any way in their efforts in the implementation of various development programmes.

He said the nationwide spontaneous demonstration of respect for late President Ziaur Rahman is an indication that the nation is determined as ever to carry forward the national objectives set before them by their martyred leader. The national plan policies and priorities for the economic social development of the country remain unchanged, he added.

The Foreign Minister also referred to the announcements made by the Acting President Mr. Justice Abdus Sattar and Prime Minister Shah Asizur Rahman to the effect that the present government will follow the constitution in letter and spirit.

He said that the election of President would take place within 180 days as provided in the constitution on the basis of adult franchise and the Chief Election Commissioner was already working on this.

Prof. Huq said that as announced by the Prime Minister and Leader of the House in the Parliament the State of Emergency was proclaimed when the nation was faced with a grave situation but it was not the intention of the government to curtail the rights to hold public meetings and bring out processions during the period of emergency.

The government proposes to take no action and measures under the emergency unless they are absolutely necessary. In any case the government plans to act in consultation with the Opposition political parties.

The Foreign Minister thanked the heads of diplomatic missions stationed in Dacca to convey the sincere appreciation of the government and people of Bangladesh for the messages of sympathy received from the heads of state and governments and other leaders of friendly countries and the rich tributes paid by them to our late President. Their assurances of continued friendship and cooperation have been a source of great strength to us, he added.

Later speaking on behalf of all the heads of diplomatic missions present, Mr. Iosif Chivu, Ambassador of Rumania and Dean of the Diplomatic Corps thanked the Foreign Minister for addressing them on the events of last week and the government's determination to continue with the policies of late President Zia. He assured him that briefing given by the Foreign Minister would be conveyed to their respective governments.

Mr. Chivu paid rich tributes to late President Zia and said that the diplomatic corps in Dacca received the terrible news of the assassination of the President with shock and indignation.

He also wished the Acting President Mr. Justice Abdus Sattar's health, strength and success in his efforts to realise the aims and ideals of the late President for the development of the country. He held out the assurance on behalf of all the Ambassadors that the continued friendly relations and cooperation of their governments with the government of Bangladesh would continue.

CSO: 4220/7993

TOAHA URGES CHANGE TO PARLIAMENTARY SYSTEM

Dacca THE BANGLADESH OBSERVER in English 8 Jun 81 p 12

[Text] The leader of Samyabadi Dal Mohammad Toaha on Sunday put up a strong plea for Parliamentary system and asserted that it should replace the existing Presidential Form of Government in the country reports ENA.

Addressing a Press conference in Dacca he made a pointed reference to the Acting President's statement on the Presidential elections in 180 days and that perpetuation of the existing system would not help resolve the political crisis prevailing in the country.

He observed people of Bangladesh are better acquainted with the Parliamentary system. Besides the Parliamentary system can make the executive relatively more accountable to the people and facilitate democratisation of decision making process, he added.

He said that the Parliamentary Form of Government could serve as an effective deterrent to the possibility of "coup and conspiracy" in the future. He further said that under Presidential system all powers are vested in one hand as such it is more prone to "coup". But the executive power under Parliamentary Form of government is collectively exercised and hence it is less vulnerable to coup.

Mohammad Toaha pointed out most of the political parties in Bangladesh have been demanding introduction of Parliamentary Form of Government. This he said could be easily realised by amending the constitution by the Jatiya Sangsad.

Mohammad Toaha also demanded formation of a coalition government taking representatives from all "patriotic parties". He declined to identify the name of the parties which were "patriotic", in his opinion but added Awami League should apologise to the people for their misdeeds committed in 1972-75. About JSD he said "it is a party of the misguided people but they are sons of the soil."

Commenting on late President Zia, Mohammad Toaha said: "He was last of the democrats from his class. Maybe we will not get another leader like him from that class in the near future. Besides Zia was a very fine gentleman," he added.

GENERAL ERSHAD VISITS CHITTAGONG CANTONMENT

Dacca. THE BANGLADESH OBSERVER in English 9 Jun 81 pp 1, 12

[Text] Chittagong, June 8--Chief of the Army Staff Lt. General H.M. Ershad visited Chittagong Cantonment this morning says an ISPR Press release.

Addressing the officers and jawans of the garrison at the East Bengal Regimental Centre parade ground General Ershad observed that the Army as a whole cannot be blamed for the crime of a few misguided ones. It is the honest and patriotic members of the Bangladesh Army, the Chief of Staff reiterated, who have saved the nation from a catastrophe by dint of their timely interception.

Referring to the valiant performance of those who died with President Ziaur Rahman, General Ershad expressed his heartfelt condolence to the bereaved families. Money cannot compensate their loss, General Ershad said. Their sacrifice could only be memorised by holding high the cause for which they laid down their lives, he added.

Pointing out to the backdrop of the Bangladesh Army Chief of Staff told that President Zia played a great role in building up the Armed Forces to the present footing out of the limited resource of the country.

Referring to the donation of Tk. 60,000 for the families of those killed with the late President by the Bangladesh Air Force, General Ershad termed it as a fraternal gesture and added that inter-service amity and unity must be maintained so that all efforts could be destined towards the defence of national independence and sovereignty.

Earlier, one minute's silence was observed in deference to the memory of the shahid.

The Chief of Staff was received and seen off by the local GMC Major General Abdul Mannaf, Commanders of the local Brigades and other senior officials of the garrison.

CSO: 4220/7998

FINANCE MINISTER EXPLAINS BUDGET TO NEWSMEN

Salient Features Told

Dacca THE BANGLADESH OBSERVER in English 9 Jun 81 pp 1, 12

[Text] Finance Minister Mr. M. Saifur Rahman said that the budget for the year 1981-82 has been formulated with the objectives of providing relief to the common people and to accelerate production, develop rural economy, increase investment and savings and contain price line. He also said that the budget was formulated within the internal and external resource constraints which were the result of the international stagflation.

Explaining the salient features of the budget for 1981-82 at a post budget Press conference at a local hotel on Monday the Finance Minister said that the tax proposals had been made keeping in view the urgency of providing relief to the common people. He asserted that the new tax proposals will in no way affect the lower income groups.

Mr. Saifur Rahman said that out of Taka 78 crore new tax proposals Taka 25 crore will come from taxation on gas, two crore from alcohol, five crore from iron and steel, 16 crore from duty on stores and spares which has been imposed to provide protection to local industries and five crore from luxury cloth. He said that only Taka 25 crore will accrue from the one per cent development surcharge. The Finance Minister further said that excise duty had been reduced on 17 essential items and sales tax has been reduced from 20 per cent to 10 per cent on 18 items.

Mr. Saifur Rahman claimed that these measures would definitely benefit the common people. He said that the tax proposals on gas, iron and steel, spares and stores and luxury cloth would hit the relatively well off people. So it was not correct that it was the budget of the rich. He also stated that the wealth tax, estate duty and income tax had also been reduced. Income tax rate had been reduced with the objective of realising more tax. He claimed that this reduction would help harnessing more tax and the tendency to evade tax would not be possible.

Mr. Saifur Rahman emphasised the need for mobilising more internal resources to harness the natural resources and to reduce the dependence on foreign aid. The Minister informed that an amount of Taka 350 crore would be needed to extend gas connection to Chittagong from Bakhrabad gas field and nobody would give us this money. We shall have to mobilise this from our own resources, he added.

Mr. Saifur Rahman said that this year the aid commitment was encouraging and the implementation of the Annual Development Programme would be achieved. He said that about three billion US dollars aid commitment was in the pipeline.

Mr. Saifur Rahman stated that our tax base was narrow and there was very little scope for flexibility. He said that out of 55 per cent GDP coming from agriculture, two thirds of it go to the people at subsistence level. This group can not be brought under direct tax net.

The Finance Minister also said that with the improvement of food production there had been set back in mobilising counterpart funds from the food aid. Besides, additional amount is needed to procure foodgrains which comes from our own resources. So, he said the tax structure has been redesigned keeping in view the new element infused in our economy with the increase of foodgrains.

The Finance Minister informed that due to fall in commodity aid following the international's stagflation the revenue generation has been affected. The export earnings in real terms had also declined. The export earning in terms of dollars is almost the same as that of last year as the export value fell by 13 poisha per unit and import value rose by 19 poisha. Out of our export earnings 60 per cent goes for financing the import of oil and with rest of the amount the import of raw materials, machinery, spares and food was impossible.

The Finance Minister said that although our Gross Domestic Product showed a substantial increase this year which has been estimated at 7.6 per cent the real per capita income of the people did not increase to that proportion. It was due to population boom and he said if we fail to contain the babyboom our per capita income would not increase and the number of landless would increase. The Minister disagreed with a questioner that in the rural areas the poor had become poorer. He said that a number of measures had been taken to ensure equitable distribution of wealth.

About the private sector Finance Minister said that in the Second Five-Year Plan private sector has been provided with a wider scope. The private sector is expected to play a vital role in our economy and the response was very encouraging. Mr. Saifur Rahman said that the public sector investment was for the building of infrastructure while the private sector investment was directly related to the production. Replying to a question the Finance Minister said that keeping the physical targets intact the financial outlay of the Second Five-Year Plan would be reduced in view of the resource limitations.

Foreign Aid Commitments

Dacca THE BANGLADESH OBSERVER in English 9 Jun 81 pp 1, 12

[Text] Finance Minister Mr. Saifur Rahman told the newsmen at the post budget Press conference on Monday that the foreign aid commitments at the beginning of the coming financial year would stand at three billion US dollars. The position relating to external assistance in the pipeline for the country is better in 1981-82 than that of the last year he felt.

He was replying to a question at the Press conference. He stated that the consortium sources pledged commitments at 1.7 billion US dollars for 1981-82 for Bangladesh at the last Aid Club meeting in Paris. The aid commitments from the consortium sources totalled 1.2 billion US dollars last year when the level of disbursements from the same sources stood at 12.33 billion US dollars he pointed out.

The Finance Minister felt that an increasing level of commitments over that of the last year was expected for the country during the coming fiscal year from the non-consortium sources. He said that the consortium members, the non-consortium sources, the OPEC and the centrally planned economies would be the sources of external assistance for Bangladesh.

The following are the excerpts from the Finance Minister's replies to various questions at the post budget Press conference.

Question: Will the recent developments in the country impair the foreign aid prospects for 1981-82?

Answer: It is very natural for any developing country like ours has to face some uncertainty following such nightmarish events in their national life. This causes some adverse repercussions in economic activities particularly affecting the overall investment activity in the economy. Thank God the nation has succeeded to overcome the grave crisis with courage, fortitude, farsightedness, restraint and conviction. We are hopeful that we would be able to get the necessary foreign assistance support for our Annual Development Programme (ADP) which along with the budget was prepared before the events on May 30 June 1 night.

Question: Have you provided fund in the budget for the Presidential election or any other elections?

Answer: The provision of Taka 65 crore in the contingency fund in the proposed budget can meet the expenses for this. When the budget was prepared the expenses for elections were not definitely in our minds.

Question: The Annual Development Programme in 1980-81 had to be revised downwards last year because of non-availability of external assistance to the extent envisaged in the original budget for the year. Do you expect that such a situation may emerge this year too necessitating the curtailment of funds for the ADP at a later stage?

Answer: We do not foresee at the moment any untoward situation relating to the availability of the projected volume of foreign assistance for the coming year.

Question: What was the quantum of deficit financing in 1980-81 to meet the shortfall in domestic resources?

Answer: There has been no recourse to deficit financing in 1980-81 to meet the budgetary shortfall. We had deficit financing in the form of borrowings from the banking system for investments on food stock through procurement.

Question: What was the rate of inflation in the economy in 1980-81?

Answer: The rate of inflation during the period from July '80 to April '81 was about 11.5 per cent. By the same standard the annual rate of inflation in 1979-80 was 15.5 per cent. The prices of some essential commodities recorded an uptrend at the close of the current financial year for which the Government had taken some positive steps to improve the availability for containing the price upswing. However we are of the opinion that the annual rate of inflation in 1980-81 would be within the range of 12 to 13 per cent.

Question: What has been the actual progress relating to the implementation of development projects under the ADP for 1980-81?

Answer: In financial terms the progress has been to the extent of 75 per cent of the allocations under the revised ADP.

Question: Are you contemplating to reduce the size of the Second Five-Year Plan in view of the shortfall in ADP in the first year of the Second Five-Year Plan?

Answer: The Planning Commission has already undertaken a study in this connection. The purpose of the study is to find out ways and means for making adjustments in the financial outlay of the Second Five-Year Plan without affecting the physical targets of the plan. The adjustments in the size of the plan would also be considered by taking up the projects related to immediate productive growth of the economy and by pruning projects which are not so related.

Question: There is strong criticism against the Government for ever increasing growth of unproductive expenditures in the economy. What measures do you have in mind to control the unabated growth of such unproductive expenditures?

Answer: The Planning Commission has been working for the last two months to reduce the growth of unproductive expenditures. We hope to initiate more measures in the future to rationalise the use of land office space, building space, etc. to minimise the costs of projects. Steps have already been taken up to bring about economy in costs for buildings structure construction activities etc. Efforts are also on relating the development activities both to the development of socioeconomic infrastructural facilities and the immediate growth of productive potentials of the economy through the Annual Development Programme.

Question: The Government has been funneling more money to the rural sector. But the gap between the rich and the poor in the countryside has also been widening. Would you comment on this?

Answer: It is not correct to say that the poor people are getting poorer and the rich richer. The population explosion is mainly responsible for rural landlessness and poverty.

Question: Is not the issue of population explosion related to the existing income distribution pattern in the country?

Answer: I agree. But we have to create conditions for more employment opportunities and more generation of income for the poor people in the countryside for tackling this situation. The development activities of the Government are aimed at creating such a favourable condition in the rural areas.

CSO: 4220/7998

POLICY ON FOREIGN VOLUNTARY GROUPS REPORTED

Dacca THE BANGLADESH OBSERVER in English 30 May 81 p 8

[Text] Prof. Abdus Salam, Deputy Minister for Home, on Friday told the Jatiya Sangsad that the Government maintains strict vigilance over the activities of all foreign voluntary organisations inside the country, reports BSS.

He made it clear that the foreign voluntary organisations are given registration to operate in the country after thorough scrutiny of their activities and keeping in view the question of sovereignty of Bangladesh and interest of the people.

Prof. Salam was speaking on the resolution of Mr. Rashed Khan Menon (GA) for constitution of a high-powered committee comprising the Members of the Sangsad to oversee the activities of foreign voluntary organisations in Bangladesh.

He disclosed in the House that 65 foreign voluntary organisations were working in the country at present and that applications for another 22 were now under consideration of the Government.

The Deputy Minister for Home informed the House that although there was no provision to regulate the activities of the foreign voluntary organisations, immediately after independence, the Government promulgated an ordinance in 1978 on such organisations to oversee their activities.

He pointed out that an interministerial standing committee and review committee set up by the Government constantly reviewed the activities of the foreign voluntary organisations. The review committee had the right to examine the accounts of these organisations and review their activities.

Prof. Abdus Salam further said that these organisations had to observe lengthy procedures to become worthy for consideration by the Government for their registration in Bangladesh. If any member of these organisations applied for visa for working in Bangladesh it was given after close scrutiny, examination and review. Each of the organisations was given registration to operate for 6 months first and the time was extended on six-monthly basis if the Government was satisfied with its activities.

Dispelling the misgivings of some members of the Sangsad about the activities of these organisations, Prof. Salam said that the Government agencies maintained strict vigil on their activities to ensure that none could do any harm to independence, sovereignty and solidarity of the country.

SHEIKH HASINA SPEAKS AT AWAMI LEAGUE MEETING

Dacca THE BANGLADESH OBSERVER in English 8 Jun 81 pp 1, 12

[Text] Sheikh Hasina Wajed, President of Bangladesh Awami League (Hasina) on Sunday called for an end to bloodshed in the soil of Bangladesh once for all in the interest of independence, sovereignty and peace reports BSS.

In her Presidential speech at a meeting organised by the party in observance of the historic June 7 at a local hotel Sunday afternoon Sheikh Hasina appealed to the world humanity to make efforts to stop bloodshed.

She said that since 1952 the history of Bangladesh had been one of bloodshed and "we don't want to witness any more bloodshed".

She said "I can hear the cries of the people who lost their fathers, mothers, brothers and relatives" and questioned why these killings followed one after another.

The Awami League Chief said that Sheikh Mujibur Rahman and other leaders of Awami League were killed at a time when they wanted to implement the second revolution and the ideology of Baksal which she said would have changed the lot of the people.

She also appealed to the Armed Forces to maintain peace in the interest of the people and of their own.

Referring to the assassination of President Ziaur Rahman she said that this type of killings could have been avoided if the killers of Sheikh Mujibur Rahman and four other Awami League leaders could be punished.

She called upon the people to resist the killers and root out them from the soil of Bangladesh.

Sheikh Hasina said that she had returned to the country to sacrifice her life for the welfare of the people and not for capturing power. She also demanded release of all political prisoners.

Among others the meeting was addressed by Mr. Abdur Razzak, Mr. Tofael Ahmed, Mr. Amir Hossain Amu, Dr. Karim Hossain, Mr. M. Korban Ali, Mr. Mohjuddin Ahmed,

Dr. Abdul Matin Chowdhury, Dr. Nilima Ibrahim, Mr. Salahuddin Ahmed, Mr. Abdul Momin Talukder, Mohammad Hanif Shah, Mohammad Abu Jafar and Mr. Mahbubul Alam.

Dr. Kamal Hussain, member of the Central Presidium of Awami League, in his speech called upon the Armed Forces to be with the people for the cause of independence, sovereignty and democracy. He also urged the people to be united and be alert against any sort of conspiracy.

Mr. Abdur Razzak, General Secretary of the party, wanted an end of the politics of killing and ushering in the politics of peace and tranquility.

Criticising the budget for the year 1981-82 he termed it as a budget of the 'rich men'.

Mr. Mohjuddin Ahmed, a member of the Central Presidium, criticised the budget as an "anti-people budget".

Mr. Tofael Ahmed, Organising Secretary of the party, said that we wanted trial of all killers including those of Sheikh Mujibur Rahman and other Awami League leaders.

CSO: 4220/7996

MINISTER REPORTS ON WORLD FOOD COUNCIL MEETING

Dacca THE BANGLADESH TIMES in English 9 Jun 81 pp 1, 8

[Text] The eighth Ministerial level conference of the World Food Council will be held in Dacca on September 28, next year. It was decided at the seventh conference of the Council ended at Navisad, Yugoslavia on May 29, reports BSS.

Food Minister Mr. Abdul Momen Khan who led the Bangladesh delegation at Navisad conference, told the newsmen in Dacca on Monday that the Dacca conference of the World Food Council was expected to launch a positive and definite action plan to eradicate hunger from the world once for all.

To be participated by the delegates from all the member-countries of the World Food Council, the conference is also expected to be attended by the representatives of different UN bodies and other international agencies relating to food.

Mr. Khan said that the Dacca conference would stress the importance on "the resources support to developing countries" food reliance efforts for developing a common strategy of flow of external resources for food production. Such resources must include agricultural inputs whose pricing and stability deserve immediate consideration, he added.

Summing up the achievements at the Navisad conference the Minister said that the World Food Council had adopted Bangladesh proposal for World Food Security as an important part of international development strategy.

The eight-point global food security measures to face the short term disaster-induced harvest failures, include a wheat trade convention, food security infrastructure in developing countries food aid convention at 10 million tons international emergency food reserve as a binding convention world food aid programme, food aid requirements and food crisis contingency measures as well as a contingency reserve incorporated into wheat trade convention, he added.

The Food Minister said that the International Monetary Fund would generate about 300 to 400 million dollars as SDR (Special Drawing Rights) to meet the urgency of the low income food deficit countries having balance of payment difficulties for the world food security purpose.

Besides, the conference in a 16 point recommendations observed peace, stability as an important factor for achieving food for all.

The council deplored that the goal of eradicating hunger within a decade was not no longer feasible and projected to achievement its goal by the end of the century.

Need for Co-operation

The council highlighted the need for cooperation among the developing countries and estimated the external assistance requirement would increase to 12.7 billion dollars by 1980 [as published].

The Council reiterated that access to food was a universal human right and that restriction of access to food should not be used to exert political pressure and considered the removal of trade barriers as an extremely important point for increasing food production in deficit developing countries.

The Council discussed various measures for enhancing world security by taking a number of feasible steps to ensure international market stability and continued world food supplies.

It observed that building up of national reserve by both food exporting and importing countries was a necessity for international food security. For this purpose, the Council suggested the developing countries to improve their distribution, transport and storage infrastructure as well as their reserve stock management. Additional assistance for this purpose should be ensured through the existing bilateral and multilateral-channels including the World Bank, IFAD and FAO programmes.

The Council also highlighted the urgency of a new wheat trade convention. The food aid convention has now run at a level of 7.6 million tons. The participation of new donors should be actively sought and the existing donors should increase their contributions to raise the level of food aid convention to 10 million tons.

It urged that one billion dollars should be pledged for the World Food Programme (WFP) for the current biennum and the I.E.F.R. should be replenished to the level of 500,000 tons per annum.

The Council also welcomed the decision of the International Monetary Fund to provide additional assistance which would help member countries faced with payment problem posed by unexpected extra cereal import cost.

CSO: 4220/7999

REPORT ON SATTAR TALKS WITH ZHAO ZIYANG

Dacca THE BANGLADESH OBSERVER in English 8 Jun 81 pp 1, 12

[Text] Visiting Chinese Premier Zhao Ziyang and the Bangladesh Acting President Mr. Justice Abdus Sattar, on Sunday afternoon held official talks reviewing matters of mutual interest in the international, regional and bilateral spheres, reports BSS.

An official statement later said the two hours talk was held in a friendly and cordial atmosphere.

Both sides resolved to make all-out efforts to further strengthen the growing bilateral relations between the two countries.

The Chinese Premier lauded the principled position adopted by Bangladesh on various international issues and her outstanding contributions and the constructive role played by her under the leadership of late President Ziaur Rahman in furthering the interest of the Third World and in serving the cause of global peace and security.

During the talks, Acting President Mr. Justice Abdus Sattar was assisted by Prime Minister Shah Azizur Rahman, Deputy Prime Minister S.A. Bariat, Foreign Minister Prof. M. Shamsul Huq, Finance Minister M. Saifur Rahman, Civil Aviation Minister K.M. Obaidur Rahman, Jute Minister Habibullah Khan, Planning Minister Dr. Fasihuddin Mahtab, State Minister for Commerce Chowdhury Tanbir Ahmed Siddiky and high officials.

On the Chinese side Premier Zhao was assisted by the Adviser to the State Council and Minister for Foreign Trade Mr. Li Qiang, Vice-Minister for Foreign Affairs Mr. Han Nialong, Deputy Secretary-General of the State Council Mr. Chen Chu, Vice-Minister for Economic Relations with Foreign Countries Mr. Lian Tianjun and other high officials.

Welcoming the Chinese Premier Acting President Mr. Justice Abdus Sattar thanked him for paying personal homage to the memory of late President Ziaur Rahman and for conveying the sympathy and goodwill of the friendly people during this hour of overwhelming grief of the people of Bangladesh.

Mr. Justice Sattar said that his visit at this juncture was an eloquent reiteration of the friendship and sympathy for and solidarity of the Chinese people with the people of Bangladesh and a demonstration of personal gesture of goodwill on the part of the Chinese Premier.

Replying Premier Zhao paid glowing tributes to the late President and recalled his unremitting efforts to promote friendly relations between China and Bangladesh, his tireless work to safeguard national independence and state sovereignty, his dedication to the rapid development of his country and his valuable service to the cause of international peace.

Earlier, Premier Zhao called on Acting President Mr. Justice Abdus Sattar at Bangabhaban. He personally conveyed the condolence and sympathy of the Chinese people on the martyrdom of President Ziaur Rahman.

The visiting Chinese leader also signed the condolence book at Bangabhaban.

Mirza Golam Hafiz, Speaker of the Jatiya Sangsad and President of the Bangladesh-China Friendship Association, later called on the Chinese Premier.

CSO: 4220/7996

REPORT ON SATTAR'S 8 JUN RADIO-TELEVISION SPEECH

Dacca THE BANGLADESH OBSERVER in English 9 Jun 81 p 1

[Text] Acting President Mr. Justice Abdus Sattar on Monday underscored the "utmost need of unity and solidarity at all levels of the society 'at this critical hour of the national life,'" reports BSS.

In an address to the nation over radio and TV network on Monday evening Justice Sattar expressed his confidence that leaders and workers of all the political parties of the country will uphold the democratic ideals and values shunning disunity and avoiding all sorts of act of violence at this crisis situation.

He said we could feel proud that by the grace of the Allah the Merciful we had been able to demonstrate solidarity and added so after the loss of our beloved leader by the 'bullet of the killer' the constitutional Government and democratic process had been functioning unhindered following the policy and ideal of the late leader.

The Acting President paid rich tributes to the quality of leadership and personal integrity and honesty of President Ziaur Rahman and said late President loved the land and the people of the country. He (Zia) gave the call of peaceful revolution aimed at building up a self reliant economy for making the life of the nine crore people meaningful who were exploited and deprived for many a centuries.

The Acting President said it was now our sacred duty to put in our best efforts to implement the unfinished programme of the late leader and added, maintenance of peaceful and disciplined atmosphere were needed for the purpose.

Justice Sattar called for sincere cooperation of all people of the country irrespective of religion and caste and party affiliation for implementing the unfinished task of President Zia and said we have to avoid politics of weapons and politics of violence, the society is to be made clean he added.

The Acting President said I have confidence that leaders and workers of all the political parties of the country will uphold the democratic values and ideal shunning disunity and avoiding all sorts of act of violence at this hour of crisis.

He concluded saying 'let us all take this vow at this moment burdened with grief that we will translate in reality the dream of establishment of an exploitation free society of the late leader through building up a self reliant economy inspired by the spirit of Bangladeshi nationalism and keeping our unflinching faith in the ideal and policy of President Zia.'

CONTENTS OF FINANCE MINISTRY'S ECONOMIC SURVEY

Export Earnings Told

Dacca THE BANGLADESH OBSERVER in English 8 Jun 81 pp 1, 12

(Text) The Economic Survey issued by the Ministry of Finance Saturday estimated the country's export earnings during fiscal 1980-81 at Taka 1,250 crore 90 lakh, reports BSS.

Actual export earnings in the first nine months of the year (July-March) was however, Taka 880 crore 37 lakh.

Compared to previous year's export earnings the growth rate is 5.54 per cent according to the survey.

But in terms of the prices of exports, the survey said, the overall export earnings of the country decreased by 7.26 per cent.

On the other hand, the survey observed, there was an upward trend of prices of petroleum products, cotton, fertiliser, cement, industrial raw materials and commodities in the international market.

The country's import bill during fiscal 1980-81 is expected to be Taka 4014 crore 40 lakh which would be 47.29 per cent above the previous year's figure, the survey estimated.

Prices of imports during the year increased 19.20 per cent compared to the prices of previous year, according to the survey.

During fiscal 1979-80, the country's import bill was Taka 2725 crore 44 lakh.

Jute goods which constituted the major export during the year 1980-81 are expected to fetch Taka 646 crore. This would constitute 51.64 per cent of the country's total export earnings.

From raw jute, the export earnings is expected to be Taka 215 crore 88 lakh which would constitute 17.25 per cent of the country's total export earnings.

Other major export earnings during fiscal 1980-81 are: tea Taka 69 crore 50 lakh, fish Taka 68 crore, newsprint Taka 12 crore 48 lakh, handicraft Taka 5 crore 50 lakh.

Rise in Industrial Output

Dacca THE BANGLADESH OBSERVER in English 9 Jun 81 p 3

[Text] An economic survey released by the Ministry of Finance on Saturday estimated growth in the industrial production by 9.23 per cent during fiscal 1980-81, reports BSS.

The survey said that on the basis of the performance of the first nine months of the year under review, it could be said that industrial production had increased substantially.

During the year, production in most of the key sectors had shown an upward trend although production had fallen in some particular industries according to the survey.

The sectors where production had fallen during the year are newsprint, TSP and Urea fertilisers, ammonium sulphate, (radia) sets, cycle industry, soap, shrimps and frog legs.

Production in the jute industry rose 13 per cent while that of yarn increased 11 per cent. Other sectors where production increased are: sugar 52 per cent, safety matches 4 per cent, cement 3 per cent, caustic soda 48 per cent, bus, truck and vehicles 43 per cent, motor cycle 18 per cent, diesel engine 523 per cent, steel ingot 9 per cent and television 261 per cent.

CSO: 4220/7996

RAILWAY MINISTER PRESENTS BUDGET FOR 1981-82

Dacca THE BANGLADESH OBSERVER in English 6 Jun 81 p 1

[Text] Mr. Abdul Alim, Minister for Railways, Roads and Highways and Road Transport, presented the Railway Budget for the year 1981-82 in the Jatiya Sangsad on Friday with an estimated revenue earning of Taka 133.72 crore which includes Taka 17.22 crore additional revenue to be fetched from enhancement of fare and freight. The revenue expenditure for the year has been estimated at Taka 133.70 crore leaving a nominal surplus of Taka 2 lakh.

Mr. Alim has proposed the enhancement of Railway fare at the rate of 75 per cent for Air-conditioned and First Class, 40 per cent for Second Class and 20 per cent for Third Class. The rate of luggage and parcel has been raised by 30 per cent and freight by 20 per cent.

The Railway Minister has stated that the Annual Development Programme has been fixed at Taka 113.21 crore for 45 on-going and new projects. The amount will be available from project aid to the extent of Taka 51.21 crore and local currency Taka 62 crores.

The Railway Minister said that on the basis of existing rates fare and freight the estimated revenue earning for the year 1981-82 will be Taka 116.50 crore as against the estimated expenditure of Taka 133.70 crore. Taka 17.22 crore will be available from new rates of fare and freight to meet the deficit.

The Minister said that the Government was compelled to increase the fare and freight due to rise in the price of fuel, spares, enhancement of the wages of Railway employees and rise in maintenance cost. He said that the enhanced fare and freight was still lower compared to other modes of transport. The fare was also much below the fare in other neighbouring countries. The Minister said that the average increase of fare per mile was only 2.5 paise.

The Railway Minister said that the revenue earning for the year 1980-81 exceeded the target by Taka 74 lakhs. The revised earning was Taka 105 crore as against the estimated earning of Taka 104.26 crore. The revenue expenditure also exceeded the target by Taka 20.69 crore totalling estimated amount of Taka 123.69 crore. The increase in revenue expenditure was due to rise in prices of fuel, enhancement of the pay scales and maintenance cost.

Mr. Abdul Alim said that some of the projects are expected to be completed by the next financial year. The projects are: the new railway line from Thoudhuryhat to Chittagong University will be completed by the next financial year, the construction work for Railway Academy will start in full scale, 24 passenger carriages and 160 wagons will be produced at the Bangladesh Railway Workshop, the construction work for maintenance of heavy diesel engines will start, the development work on Dacca-Chittagong railway line will be completed. The Minister said that the construction of railway lines and bridges between Dacca-Aricha Ishurdi, Nagarbari Shantahar, Ruhnpur Khuina-Mangla double lines between Dacca-Naravanganj and introduction of electric train between Dacca-Narayanganj has been agreed upon by the Railway administration and the work on these projects will start with the availability of funds.

Mr. Abdul Alim said that the Government was determined to make the railway a people's welfare organisation. He said that the organisation was engaged in the services of the people and "we are trying to provide maximum amenities to the people." He hoped that the people will appreciate the limitations of the Railway and would cooperate to develop this organisation. He said that a number of steps had been taken to improve the signalling system and maintenance to avert accidents and to provide facilities to the people. He also noted that the number of carriages and wagons and also engines had increased and more would be procured during the next financial year.

CSO: 4220/7993

COMMERCE MINISTER REPORTS EXTENT OF TRADE DEFICIT

Dacca THE BANGLADESH TIMES in English 30 May 81 pp 1, 8

[Text] Bangladesh had imported goods worth Taka 8,667.90 crore and exported goods worth Taka 5,363.62 crore between 1972 and 1980 showing a trade deficit of Taka 3,104.28 crore.

This was stated by Chowdhury Tanbir Ahmed Siddiky, State Minister for Commerce, at the Jatiya Sangsad on Friday in reply to a question by Mr A.K.M. Akhteruzzaman Alamgir, a Treasury Bench member from Patuakhali.

The Minister told Mr Imazuddin Pramanik of AL (H) that the import and export targets for 1980-81 were Taka 2,600 crore and Taka 1,500 crore respectively. Goods worth Taka 2,014.67 crore had been imported while Taka 968.05 crore had been earned through exports till April 1981.

The Commerce Minister told Sheikh Selim of AL (H) that Bangladesh had earned Taka 514.85 crore by exporting hides and skins and leather goods between July, 1972 and April, 1981.

In reply to a question by Mirza Abdul Latif of JSD, the Commerce Minister said that during the first 10 months of the current fiscal year, the country had earned foreign exchange worth Taka 53.48 crore by exporting frog legs, shrimps and other variety of fishes. During 1978-79 and 1979-80, the export earning for these items was Taka 52.27 crore and Taka 53.34 crore respectively.

He told Mr Md Amin of Rangpur that Bangladesh had started export of tobacco from this year. This item would also be exported next year, he added.

In reply to a question by Shah Mostanizidul Huq (Khizir) of Tangail, Mr Siddiky said that the annual requirement of coal in the country was approximately 3.50 lakh tons. Arrangements had been made to import 2.88 lakh tons of coal this year, he said.

He told Mr Imazuddin Pramanik of Rajshahi that Taka 22 crore had been earmarked for import of yarn this year. Besides, yarn worth Taka 21.47 crore had been imported under Wage Earners' Scheme till April this year, he said.

The Minister said that goods worth Taka 380.30 crore had been imported under Wage Earners' Scheme till April 30. Edible oil topped the list among the imported items under this scheme, he said.

He told Mr Prafullah Kumar Shil of Khulna that permissions had been given for the import of 28,872 tons of CI sheet this year. These would be imported both under private and public sector, he said.

The Commerce Minister told Mr A.K.M. Akhteruzzaman Alamgir that his ministry had not received any allegation that some foreign buyers had refused to import hides and skins and shrimps for lower export quality.

In reply to a question by Prof Mofizul Islam of Comilla, the Commerce Minister said 18,393 applications for import licence were received in reply to notification issued in the latter part of 1980.

He said that none of these applicants had been provided with licence so far. He said that 9,807 applications had been found valid and they would be provided with licence from the next financial year.

In reply to a question by Prof Mofizul Islam, the Commerce Minister said that under barter agreements, Bangladesh had imported goods worth Taka (734.56) crore while exported goods worth Taka 43.65 crore during the first 10 months of the current fiscal year.

He said that during the same period, Bangladesh had imported goods worth Taka 33.63 crore and exported goods worth Taka 30.95 crore in her barter trade.

He told Mr Pramanik that the Government controls prices of 14 items under essential goods price control order 1981. Under this order, necessary powers had been vested with the Director of Market Intelligence and Enforcement, Deputy Commissioners and Sub-divisional Officers to take necessary action in this respect.

CSO: 4220/7991

CHITTAGONG MEETING DISCUSSES ENEMY PROPERTY ACT

Dacca THE BANGLADESH TIMES in English 30 May 81 p 2

[Text] Chittagong, May 29--The first biennial conference of Chittagong District (North) Enemy (vested) Property Act Resistance Parishad was held here on Sunday with a renewed call to the Government to immediately withdraw this antipeople and black law for the greater national interest, reports BSS.

Among others, President of the Central Committee of the Organisation Mr Justice Debesh Chandra Bhattacharya, Mr Shahjahan Seraj, MP and Joint Secretary of the JSD, Mr Surangit Sen Gupta, MP addressed the conference while Mr Sadhan Dhar, General Secretary of the organisation, presided. Representatives of Awami League (Hasina), Awami League (Mizan), JSD, MAP (Muzaffar), NAP (Harun), Jatiya Ekata Party and UPP also spoke on the occasion as guest speakers.

Justice Debesh Chandra said that this Enemy Property (vested) Act was not harmonised with the charter of the declaration of independence by Mujibnagar government in 1971 and as such in independent Bangladesh this kind of law should exist no more.

Mr Shahjahan Seraj said that this Enemy Property Act is one of the basic problems faced by the nation. This law is not co-ordinated with the country's constitution. His party was always critical against all black laws, he added.

Turning to various national problems Mr Shahjahan Seraj said that the Government had no legal right to stay in power as it failed to protect our territorial sovereignty regarding the Talpatty issue.

The JSD leader said for the last one year the Opposition members in Parliament raised this issue several times for fulpledged discussion. But the Government under various pretexts suppressed the issue.

Mr Surangit Sen Gupta bitterly criticising the foreign policy observed that the present Government immersed our territorial integrity for protecting the one man rule.

The Ekata Party leader further alleged that the Government was hatching out conspiracy to declare emergency by creating 'smoky situation' in the country. The conference was rounded off with a cultural function.

CSO: 4220/7991

AGENCY INTERVIEWS DACCA UNIVERSITY VICE CHANCELLOR

THE BANGLADESH TIMES in English 30 May 81 p 3

Vice-Chancellor of the Dacca University Dr Fazlul Halim Chowdhury on Tuesday deplored that "university premises are being used for conducting anti-social activities".

In an interview with ENA the Vice-Chancellor said academic work cannot be conducted in the sort of the situation that is now prevailing in the campus.

The present situation in the Dacca University he said posed a challenge to the society at large and the values that a university stand for 'if we can not come out successfully the result will be disastrous for the society', he warned.

Vice-Chancellor gave written replies to three questions put by ENA on recent developments in the Dacca University that forced the teachers to go on strike and bring out a silent procession on May 25.

The following are the questions and answers:

Questions: Sir, you are aware that the university teachers had gone on strike and brought out a procession to protest actions by a section of students and outsiders. How do you look at the sentiment of the teachers?

Answer: I am in agreement with the views by the teachers and being a teacher myself fully understand and appreciate their sentiments. Academic work cannot be conducted in the sort of the situation that is now prevailing on the campus. Teachers have been threatened at gun-point, seats in halls are being occupied by armed outsiders with the help of their supporters within the halls. University premises are being used for conducting antisocial activities. The teachers are particularly upset because of our efforts to admit students in the departments and in the halls on merit basis to regularise the academic sessions by completing the courses and conducting the examinations in time are being frustrated. What is more important is that the moral authority of teachers--the very basis on which an academic institution functions--is being challenged.

CSO: 4220/7991

AGRARIAN REFORM MEETING PRESENTS ACTION PROGRAM

Dacca THE BANGLADESH TIMES in English 27 May 81 p 3

[Text] The 15-nation consultation on agrarian reform which ended in Dacca on Monday adopted a 17-point action programme designed to ensure rural development and remove poverty in much of the developing countries.

According to a draft report of the second Government Consultation for Asia and the South West Pacific on follow-up of the World Conference on Agrarian Reform and Rural Development, the prime importance was laid on peoples participation in the development programme.

The consultation which was also attended by six UN and international organisation called upon the countries of Asia and Pacific region to consider the people's participation as the most essential pre-requisite for promoting rural development.

For this purpose the consultation suggested that the Government should develop institutional machinery for effective participation of all socio-economic groups particularly the disadvantaged ones.

The consultation suggested that the small farmers and marginal groups should be provided with required credit production inputs incentives other supporting services and the needed technical skills on a preferential basis.

The action programme also suggested rural banking system should be established on a priority basis for mobilising local resources and channelling government funds for facilitating increased access to resources by the disadvantaged groups.

Agrarian reform measures including land ceiling tenancy legislation regulations and practices and provision of non-land assets should be evaluated and vigorously implemented.

The consultation found that there is an urgent need to review the land use policies in order to reorient existing land use patterns in many countries of the region with a view to helping rural poor.

The countries should try to identify various poverty groups and develop rural development oriented administrative setups and strengthen the relationship between the government and the nongovernment organisations.

The consultation also recognised the contribution of women to agriculture development and called for programmes to raise the economic and social status of rural women.

The consultation set a 7-point programme of activities for the FAO and CIRDAP in the region. These included studies on nature of people's organisation for participation, improve local administration level, indepth studies on land reform measures in the region.

The third consultation will be held in 1983 sometime before the 22nd FAO Conference. Fiji provisionally was selected as the venue of the conference.

CSO: 4220/7983

MEETING CALLS FOR NATIONAL TRADE UNION ORGANIZATION

Dacca THE BANGLADESH TIMES in English 29 May 81 p 1

[Text] Recommendations of the four-day seminar on industrial law in Bangladesh and its problems concluded in Dacca recently under the auspices of Dacca Union of Journalists, were announced at a Press conference on Thursday.

The leaders of DUJ gave the details of the recommendations of the seminar in presence of the leaders of the organisations participated in the seminar at the National Press Club. Representatives of 21 national trade union organisations and experts on labour law had participated in the seminar.

Specific recommendations were made on the participation of the workers in management, protection of local products, minimum wages and allowances, compensation security and working hours, settlement of disputes, freedom of organisation, repeal of black laws, publicity of the activities of workers, training, children labour, ration for the workers. All these recommendations were put forward to the Government and concerned authorities for consideration.

The leaders of the DUJ said that they along with the representatives of the trade union organisations participated in the seminar would formally hand over the recommendations to the concerned Government department later.

Three-point recommendations were also made for their consideration by the trade union organisations. These included formation of a national level trade union organisation.

The leaders of the DUJ said that they would, if necessary, build up a mass movement for the implementation of the recommendations which aimed at "framing democratic labour laws in the interest of the workers." They said that laws framed in the interest of the colonial rule could no longer persist in a free country.

CSO: 4420/7987

OPPOSITION LEADER: MUSLIM NATIONS NOT OUR FRIENDS

Dacca THE BANGLADESH OBSERVER in English 29 May 81 p 1

[Text] Mr. Anaduzzaman Khan, Leader of Opposition, speaking briefly in the Jatiya Sangsad at the end of the Prime Minister's speech on Thursday said, "Muslim nations are not our friends; they are our masters."

He accused the Government for selling out the interest of the country to the imperialists and their agents, the multinational companies. He did not however name the imperialist countries and their agents.

The leader of the Opposition called upon the Prime Minister to place the written document to show that India had agreed to a joint survey before determining the status of South Talpatty Island in the Bay of Bengal.

He said if the Government was not in possession of any written document Bangladesh's claim on the island would not be tenable in international court. He said India had categorically denied having agreed to a joint survey. He said the government has caused enormous harm to the nation.

He stood by his earlier comment that those who want to wage war against India or want to trek to Talpatty were the enemies of the country. He called them adventurists.

CSO: 4220/7985

POLICE GUARDS POSTED TO INSURE JUDGES' SAFETY

Dacca THE BANGLADESH TIMES in English 29 May 81 pp 1, 8

[Text] The Government has posted police guard at court premises to ensure safety of judges. Steps have also been taken for procuring microbuses to be used by judges as transports.

Replying to a call attention on behalf of the Minister for Law and Parliamentary Affairs, Railways Minister Mr Abdul Alim told the Jatiya Sangsad on Thursday that the law enforcing agencies had been asked to round up those who tried to kidnap the First Munsif of Dacca on May 14.

He said that the judges had expressed their satisfaction over the measures taken by the government and assured the House that there was no possibility of stoppage of functioning of the courts.

Earlier, in his called attention Mr Salahuddin Yusuf of Bangladesh Awami League (Hasina) said that the deterioration in the law and order situation and the high-handedness of the miscreants had threatened proper functioning of the judiciary.

Referring to the May 14 incident in which some miscreants led by a lawyer had tried to kidnap the First Munsif of Dacca when the learned Munsif refused to yield to their pressure, Mr Salahuddin Yusuf alleged that although there had been specific complaints against the miscreants no step is being taken against them.

Mr Abdul Alim said that the District Judge of Dacca and the Public Prosecutor called on President Ziaur Rahman after the incident. The President asked the Police Commissioner of Dacca to take necessary steps against the miscreants.

Replying to a supplementary question Mr Abdul Alim denied to the allegation that the miscreants were members of BNP.

CSO: 4220/7987

MP'S DISCUSS PRICES, POWDERED MILK, EXPORTS

Dacca THE BANGLADESH OBSERVER in English 30 May 81 p 1

[Text] State Minister for Commerce Chowdhury Tanbir Ahmed Siddiky told the Jatiya Sangsad on Friday that the Government has taken a number of emergency measures to bring down the price of daily necessities. A huge quantity of rice has been released from the Government stock and as a result, the price of the item has come down and the price will decrease further, he added.

Replying to a call attention notice on the rising price of essential commodities, the Minister said that huge quantity of pulse, onion and dry chilli are being imported by the Trading Corporation of Bangladesh (TCB) from Singapore, Nepal and Pakistan. Excessive rain has caused damage to onion and chilli and provision has been made to import the items under Wage Earners Scheme. The Minister assured that imported pulse, onion and chilli will reach the country within two weeks.

Speaking about the hoarders of daily necessities, the Minister said those who are expecting huge profit out of hoarding pulse, onion and chilli during the ensuing Ramzan will be loser as adequate supply of those items will be available in the country. Sounding a note of warning to the hoarders, the Minister said that action will be taken against them. The Government is determined to maintain a steady supply of essential goods to keep the price under control, he added.

The Minister said that the price of rice has already registered a decrease compared to the last month's price. Pulse is available at Taka 9 per seer at the COSCOR shops and the stock of edible oil was adequate. He expressed the hope that the measures taken by the Government will have salutary effect. The supply position vis-a-vis the price of daily essentials will be more steady before the beginning of Ramzan the Minister opined.

Professor Muzaffar Ahmed (NAP-M) in his call attention notice said that the people have been undergoing tremendous hardship since April last following abnormal rise in prices of daily necessities. He said that the price of essential items is rising beyond the purchasing capacity of common man.

ENA adds: State Minister for Commerce said in the Jatiya Sangsad that the Government is aware of recent press reports at home and abroad about the adverse effect of powder milk on babies.

Replying to a supplementary during Question Hour by Mrs. Farida Rahman (BNP) Mr. Siddiky said measures would be taken with regard to imports of powder milk in the light of expert opinion.

He told Shah Mustanjidul Haq Khisir (BNP) that the said total requirement of powder milk is estimated at about 5,850 tons. Cash licences for Tk. 25.15 crore were given for import of powder milk besides keeping the import open under the Wage Earners Scheme.

He said powder milk worth Tk. 58.13 crore was imported during the last five years.

The State Minister said, Bangladesh has exported goods worth about Tk. 43.66 crore to Soviet Union as against the imports of Tk. 54.57 crore under barter trade up to April 30 of current fiscal year.

Replying to Prof. Mofizul Islam (Jatiya League) he said during the Question Hour that exports to China amounted to over Tk. 30.95 crore as against the imports of Tk. 33.63 crore under the barter deals.

Besides, he said Bangladesh has imported from the Soviet Union under Soviet credit and also in cash foreign exchange, and also exported certain items towards repayment of debts to that country. Estimate of such exports and imports are being compiled, he added.

Replying to another question by Mr. Anisuzzaman Khokan (BNP) the State Minister said Bangladesh received import orders worth Tk. 5.1 crore from United Arab Emirates as initial result of Bangladesh Fair organised in Dubai recently. The 16 items include jute, carpet, cycle, tin, food and ready-made garments. He said the objective of the single country fair was to popularise Bangladeshi goods in the Gulf region.

He said the entire foreign exchange requirement of Tk. 43.70 lakh for organising the fair was borne by the Commonwealth Secretariat.

CSO: 4220/7989

FINANCE MINISTER GIVES FOOD PRODUCTION ESTIMATE

Dacca THE BANGLADESH OBSERVER in English 8 Jun 81 p 3

[Text] Finance Minister Mr. M. Saifur Rahman said that the estimated production of foodgrains in the current year will be 150 lakh tons. Out of this quantity the production rice will be 136 lakh tons and wheat 14 lakh tons.

The Finance Minister also said that due to favourable weather the agricultural production increased in the current year which had helped achieve 8.8 per cent growth rate in the agricultural sector.

The Finance Minister said that rise in the production of foodgrains was due to the improved irrigation facilities and timely supply of inputs. The canal digging programme initiated by the late President Ziaur Rahman also contributed to the higher agricultural production.

Mr. Saifur Rahman further said that the food stock by the end of the current financial year will be 14.50 lakh tons, highest in the history of the country. He said that at the beginning of the current year the food stock was 7.50 lakh tons which rose to 14.50 lakh tons due to internal procurement. The internal procurement was massive this year, he said.

The major physical objective under the development activities in the agricultural sector in 1981-82 will be to attain the target of foodgrain production at 162.30 lakh tons, the targets for raw jute, cotton, sugar cane and tea production have been fixed at 63.80 lakh bales, 45 thousand bales, 60.45 lakh tons and nine crore lbs respectively. The fertilizer distribution programme for the attainment of production targets in case of foodgrains and other agri crops in 1981-82 will involve the delivery of 7.40 lakh tons of urea, 3.90 lakh tons of TSP and seventy thousand tons of MP at the farmer's level. The efforts for an additional capacity of four lakh tons for preservation and storage of crops will be made in the year to raise the total storage capacity in the country to 20 lakh tons. The irrigation programme for the year will aim at raising the number of operational deep tubewells and shallow tubewells from 11,000 and 46,000 to 13,000 and 58,000 respectively. The number of hand driven tubewells will similarly be raised to 2.75 lakh from 2.00 lakh.

In the industrial sector the emphasis will be placed on raising the levels of production modernisation, balancing and rehabilitation of industries and development of management skill.

MEETING REVIEWS STATUS OF FOOD SUPPLIES, PROCUREMENT

Dacca THE BANGLADESH TIMES in English 9 Jun 81 pp 1, 8

[Text] A review meeting on the present food situation, internal procurement and construction of food godowns was held in Dacca on Monday with Mr Abdul Noman Khan, the Minister for Food, in the Chair, according to an official source.

Dr Fazluddin Mahtab, the Minister for Planning and Mr Aung Shwe Prue Chowdhury, the Minister of State for Food, members of Planning Commission and concerned senior officials were also present at the meeting.

The meeting reviewed the progress of Boro and wheat procurement and construction of food godowns in different parts of the country.

The meeting directed the various departments under the Ministry of Food and the concerned construction agencies to speed up procurement of food and construction of godowns.

The meeting also emphasised the need for constant monitoring and close supervision by senior officials of the progress of procurement and development work.

The Food Minister also directed the officials to keep close watch on the food situation and ensure planned and quick movement of food-grains to keep the food situation stable.

CSO: 4220/7999

BRIEFS

DPRK PARLIAMENTARY TEAM--A six-member Parliamentary delegation from DPRK Korea led by Mr. Hwang Jang Yop, Chairman, the Supreme People's Assembly (Speaker of the Parliament) arrived in Dacca on Thursday on a six-day friendship visit, reports BSS. They were warmly received by the Speaker Mirza Golam Hafiz at the Kurmitola International Airport. Some Members of Parliament and Korean Charge d'Affaires Mr. Ko Ho San, were also present to receive the delegation. The leader of the delegation, Mr. Yop in an airport statement expressed thanks to the Bangladesh Parliament and the citizens of Dacca for their invitation to them. [Text] [Dacca THE BANGLADESH OBSERVER in English 29 May 81 p 12]

KRISHAK SRAMIK PRESIDENT--The National Committee of Krishak Sramik Party in its emergency meeting on Tuesday relieved Mr A. S. M. Solaiman from the post of the President of the Party and elected Syed Azizul Huq as the new President according to a Press release signed by the General Secretary of the party Mr Golam Rabbani. It said that the change was made in the greater interest of the party. [Text] [Dacca THE BANGLADESH TIMES in English 29 May 81 p 3]

MORE BNP EXPELLEES--Bangladesh Nationalist Party on Friday expelled five more persons from it for violating party discipline and anti-people activities. With this an informed source told BSS, on Friday night the number of persons expelled so far from BNP and its front organisations rose to 55. The expelled persons are Abu Jafar Mohammad Shahjahan, member Chittagong H.E.S. College unit of Jatiyatabadi Chhatra Dal, Nasimul Ghani, member Chittagong unit of Jatiyatabadi Chhatra Dal Kamal President of Kalurghat unit of Jatiyatabadi Sramik Dal Redwan General Secretary of Kalurghat unit of Jatiyatabadi Sramik Dal and Bappi Barua of Chittagong city Jatiyatabadi Secchasevak Dal. [Text] [Dacca THE BANGLADESH OBSERVER in English 30 May 81 p 1]

AMBASSADOR TO TUNISIA--The government has decided to accredit concurrently Mr. Mohsin at present Bangladesh ambassador in Tripoli as ambassador to the Republic of Tunisia, it was officially stated in Dacca on Thursday reports BSS. [Text] [Dacca THE BANGLADESH OBSERVER in English 30 May 81 p 3]

ENVOY TO SINGAPORE--The Government of the People's Republic of Bangladesh has decided to accredit concurrently Syed Nazmuddin Hashim, at present Bangladesh Ambassador in Rangoon, as High Commissioner to Singapore, according to a PID hand-out. [Text] [Dacca THE BANGLADESH OBSERVER in English 6 Jun 81 p 6]

CSO: 4220/7994

'VOPB' REPORTS BATTLE NEWS FROM NORTHEASTERN SECTOR

BK220654 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT
22 Jun 81

[Text] On 12 May, a unit of the People's Army attacked a supply and transport unit of the enemy between Loi Mwe and (Kaw Pu). Food supplies and canned food together with 29 horses were seized from the enemy.

On 21 May, a clash broke out near (?Yangka) in which three enemy soldiers were killed, three were wounded and one was taken prisoner. One G-2, one carbine, one 2-inch mortar and some ammunition were seized from the enemy.

Also on 24 May, a clash broke out between (?Yangka) and (Tapawk). Two enemy soldiers were killed and three others were wounded in the clash.

On 27 May, an attack by a small unit of the People's Army near (Windaw) village, between Mong Yawng and Mong Yu, resulted in six enemy soldiers being killed and four others being wounded. One carbine, two G-2's, one 2-inch mortar and some ammunition were captured.

On 29 May, an attack by the People's Army between Mong Hipayak and (?Ta-lu) killed nine enemy soldiers. The enemy fled without the dead bodies. Two G-2's, two G-4's and one 2-inch mortar were seized from the enemy.

On the same day, one enemy soldier was killed and six others were wounded in a clash near (?Panghok) village, Mong Yawng, also near (Hsi Lat) two enemy soldiers were killed and 12 others were wounded in a counterattack launched against the assaulting enemy. Two carbines and two G-4's were seized from the enemy.

Battle news from Mong Mit-Mogok region: On 23 May, a small unit of the People's Army, after crossing the Mong Mit-Mogok road, captured four policemen, including a subinspector, on (Thiengyi) hill. Two pistols and four other firearms were seized from the policemen.

On 7 June, a small unit of the People's Army captured four policemen, including a police lance corporal, who had ventured out from (Otvi Nge), which is between (Thabaung) and (Thabeikkyi). Four rifles, 4 grenades and 200 rounds of ammunition were seized from the policemen. The four policemen were released unharmed on the same day.

CPI SECRETARIAT MEMBER APPEALS TO GANDHI ON KERALA

New Delhi PATRIOT in English 6 Jun 81 p 4

[Text] CPI Central Secretariat member N. K. Krishnan has appealed to Prime Minister Indira Gandhi to clarify the position of the Congress-I with regard to the Left Democratic Front Government of Kerala.

In a statement on Friday Mr Krishnan said the CPI was aware that the Prime Minister had repeatedly disclaimed any intention to topple non-Congress-I governments in different States, but it was 'amazing' to find her Minister of State for Home Affairs Yogendra Makwana speaking in a different tune.

Mr Krishnan strongly protested against Mr Makwana's open support to the Congress-I's threatened agitation to topple the Kerala Government.

"The threat held out against the Left Democratic Front Government in Kerala by the State Congress-I leadership is totally in violation of the spirit of the Indian Constitution itself and is nothing but a criminal and irresponsible move to create chaos in the State. If other parties in the country were to follow the example of the Congress-I in Kerala, one can very well imagine to what state it would reduce our nation at a time when it faces grave peril from outside from imperialism and its allies," he underscored.

Mr Krishnan felt that if the Prime Minister seriously meant what she had reiterated several times in public, 'she should lose no time in issuing an authoritative contradiction of her Minister's statement which has already received not only countrywide but even worldwide publicity.'

CSO: 4220/7967

CHAVAN RESIGNATION FROM CONGRESS-U FINAL

Madras THE HINDU in English 5 Jun 81 p 9

[Text] New Delhi, June 4--Mr Y. B. Chavan today forwarded to Mr Dharambir Sinha, Secretary of the Congress (U) Parliamentary Party, the copy of a telegram he had sent to the Party President, Mr Devaraj Urs, on May 26, resigning from the Congress (U).

Mr Chavan automatically ceases to be leader of the Congress (U) Parliamentary Party, according to party sources.

The CPP (U) meeting will be convened on a suitable date to elect a successor to Mr Chavan.

The afternoon's move of Mr Chavan comes on the eve of the return of his close associate and former Chief Maharashtra Minister Mr Sharad Pawar, from abroad.

According to Congress (I) sources, Mrs Indira Gandhi has not so far taken any decision about Mr Chavan's admission into the Congress (I) pending Mr Pawar's decision.

Antulay meets PM: The Maharashtra Chief Minister, Mr A. R. Antulay, yesterday discussed with the Prime Minister the home-coming of Mr Chavan and other developments in the party.

Mr Antulay told newsmen he had already welcomed Mr Chavan's home-coming.

Asked whether it would have any impact or make any difference to the Congress (I), Mr Antulay countered "why should it be construed that he was coming to make some difference."

Mr Antulay reiterated that he would go ahead with his proposal to bring out two daily newspapers--one each in English and Marathi. His government had decided to form a trust to run the newspapers.

CSO: 4220/7964

INVESTMENT CENTER PUBLISHES STUDY ON JOINT VENTURES

Madras THE HINDU in English 5 Jun 81 p 16

[Text] New Delhi, June 4--Indian joint ventures abroad numbering 208, including 93 under implementation at the beginning of 1981, should further improve their commercial profitability to acquire "a credible image," says a study published by the Indian Investment Centre, New Delhi.

The study comes to the conclusion that the performance of the joint ventures has been "reasonably satisfactory" in attaining objectives like promotion of cooperation among developing countries and creating opportunities for export of Indian capital goods, technology and know-how. Their demonstration value in terms of projecting the quality of Indian equipment and appropriate technology is also important.

The study largely bases its assessment of the performance of the joint ventures on figures available up to 1979. A good number of them have a low equity base of Rs. 30 lakhs or less which by no means can be considered adequate to achieve optimum levels of operations.

But it finds that the trend towards establishment of sub-optimal size units is gradually on the wane and the rate of mortality of ventures has also come down.

The trend towards the setting up of large and prestigious ventures indicates that several Indian companies have embarked on well planned projects which could yield better returns in terms of foreign exchange in the years to come. They could also project a better image of India as "outposts of Indian technological competence."

The large sized units coming up in Indonesia, Kenya, Nigeria, Sri Lanka, Thailand, Yugoslavia and U.S. are in fields such as machine tools, textiles, polyester and nylon yarn, pulp and five-star hotels.

Out of 117 units in operation in 1978-79, 57 were in South-East Asia (bulk of them in Malaysia and Indonesia) though of late there is revival of interest in Africa, especially in Nigeria.

A noticeable missing link, the study points out, is absence of successful penetration in Nepal, Bangladesh and Sri Lanka, contiguous neighbours, and in the Latin American countries.

The maximum number of ventures in operation were in the field of light engineering followed by textiles which held a predominant position in terms of investment in share capital.

Africa and West Asia had 24 and 17 units in operation in 1978-79.

Out of 117 joint venture units in production, 15 had declared dividends but the quantum of remittances was "disappointing." However, many units which had gone into production in recent years were expected to enter the profitability zone to give momentum to the level of dividend remittances.

Sales Turnover

The total sales turnover of the operating joint ventures amounted to Rs. 292 crores while the net profit was Rs. 16.3 crores in 1978-79. A majority of the units had a comparatively low scale of operations which tended to keep the cost of production high and profitability low.

The study points out that in judging operating results which are "none too satisfactory" it should be kept in mind that many of the units had become operational only during the last four or five years and that the ventures did not have distinct advantages in the form of cheaper sources of capital, superior management and technology, access to assured sources of raw materials and economies of scale in operations.--PTI

CSO: 4220/7964

'STATESMAN' INTERVIEWS MAHARASHTRA CHIEF MINISTER

Calcutta THE STATESMAN in English 5 Jun 81 p 9

[Text]

BOMBAY, June 4.—Despite the spate of bitter controversies swirling around him, Mr A. R. Antulay, who completes one year as the Chief Minister of Maharashtra on June 9, appears unruffled and continues his relentless pursuit of what he describes as the "amelioration of the lot of the poor man".

In an interview with this correspondent, Mr Antulay scarcely betrayed signs of political strains, if any, and spoke confidently of reaching the targets he has set for himself during the remaining four years of his office and tackling the most pressing problems before the State.

He brushed away the suggestion that there was any threat to his post from within his own party, denying that there was any significant lobbying against him by his Cabinet colleagues and clarified that his attitude towards the Opposition is not as headstrong as it is made out and that he always welcomed "constructive and creative" opposition.

Mr Antulay, known for his dynamism, capacity to make quick decisions and stubborn hard work, drives himself through a 20-hour-a-day schedule against his doctors' advice. He has had two minor operations during the past month and still needs medical attention. Either because of this or because of conscientious efforts, he is appearing a little subdued and cautious of late and is said to have controlled frequent displays of his notorious temper which annoys so many of his colleagues, bureaucrats and reporters.

During his one year in office, Mr Antulay has, to his credit taken an impressive array of decisions some of which are daring, dynamic and imaginative, others useful and leaving a lasting impact and still others tentative and described by some as atrocious. A glance at the list of 38 items on decisions and programmes made by him,

supplied by his special secretariat, should not fail to impress even his critics—ambitious schemes to help destitutes and the rural jobless, setting up of a Rs 5-crore trust in the name of Mrs Gandhi to help artists and litterateurs, establishment of the State Planning Board, initiating the process for planned development of backward Konkan, restructuring of revenue divisions and the unvieldy tehsils in Vidarbha, creation of two new districts, establishment of a committee to promote Shivaji's secularism and so on.

But during the same period, Mr Antulay has also become a centre of numerous controversies. His zealous but abortive efforts to bring back Shivaji's legendary Bhawani sword from Buckingham Palace in London brought him much ridicule. His daring decision to exempt nearly 700,000 farmers from repaying Rs 58-crore worth of co-operative crop loan arrears raised a hornet's nest, generating heated debates amongst economists. His strong-arm handling of the farmers' long march at Nagpur displeased even his partymen and his method of functioning created a furore among the bureaucrats as well as his colleagues.

The following are excerpts from an interview which this reporter conducted with Mr Antulay:

Q: What are in your opinion most pressing problems before the State and how do you intend to tackle them?

A: Improving the lot of the slum dwellers in the urban areas, especially in Bombay, and making the small and marginal farmers self-sufficient are among the problems I intend to tackle immediately. While reviewing our term in office, we will think of new items and programmes which can now be safely undertaken, having reached a take-off stage. These programmes would be undertaken to reach the targets we have set for ourselves for the next four years.

As far as the slum dwellers problem is concerned, A comprehensive and elaborate scheme is

being chalked out. A Cabinet sub-committee has suggested several measures to make the small and marginal farmers self-sufficient and we will adopt these measures.

As for the poorest of the poor, we shall vigorously implement our Sanjay Gandhi Niradhar Anudan Yojana, under which a dole of Rs 60 is given monthly to destitutes, and which provides succour to the old and the handicapped and the Sanjay Gandhi Swavalamban Yojana which provides interest-free loans to prospective rural entrepreneurs to the extent of Rs 2,500.

Q: There are complaints from your colleagues about your style of functioning and about you not consulting them, on many of the issues. What is your reaction?

A: So far, no colleague of mine has even indirectly suggested to me that they are not being consulted or that they are not being given freedom. My endeavour has always been to get the best out of each of my colleagues whom I have chosen.

Q: There are reports from within your party that your position is being threatened and that there is lobbying against you by your own colleagues. Is there any truth in these reports? Do you feel your position as the Chief Minister threatened?

A: Well, when the legislative session ended last month, I met each of the Congress (I) MLAs individually, and none gave me the impression of being dissatisfied.

PAPER REPORTS OUTCOME OF BENGAL CIVIC ELECTIONS

State CPI 'Embarrassed'

New Delhi PATRIOT in English 4 Jun 81 p 4

[Text] Calcutta, June 3--The results of the Bengal civic poll have embarrassed the State Congress-I. Its allegations of manipulation of the voters' list and rigging of the elections by the State Government have been proved wrong.

Firstly, the voters, both the left and the non-left, rebuffed the charges by casting 65 per cent votes all over the State, an all-India record in terms of civic poll voting figures. Secondly, 445 independent candidates, many of them belonging to Cong-I, have won.

The Left Front-CPI combine along with a few Independent candidates it supported, have won in 967 constituencies out of the total 1,489 seats where results have been announced. The result of one constituency, Karwa, is yet to be declared. Thus the results show that the poll victories have been in line with the known alignment of pro and anti-left votes.

However, the left parties fought against each other in roughly 250 constituencies, which affected its image. This led to serious setbacks in known left areas like Dum Dum, Budge Budge, Midnapore, Kanthi, Berhampur, Jaynagar among a few others. According to a rough estimate the CPM had contested against other left parties in 120 constituencies, the CPI 70, the Forward Bloc and the RSP in 50 each.

Evidently, this phenomenon had created much confusion in some areas, affecting the Front's prospects. Even so, the big advance of the left forces can be seen from the fact that prior to this poll the left front was in absolute majority in only 22 municipalities in Bengal. It was now second a majority in 68 out of the total 87 municipalities whose results have been announced.

Again, in the 1978 panchayat elections in the State the left front, at loggerheads with the CPI then fought on its own in 55982 seats, and won 56 per cent. This time and despite mutual fight in a number of constituencies, the left front has won 967 seats out of 1489 constituencies. Percentage-wise this exceeds 65 per cent indicating nearly 10 per cent advance from the panchayat poll. This also gives the lie to the propaganda that the left has alienated the middle class due to power crisis, its educational policy and the so-called worsening law and order situation.

Seats won party-wise by the left are the CPM-696, the CPI-109, the Forward Bloc and the RSP 50 each, the PBM-9, SP-one and Independents supported by the left 36.

Among the non-left parties Congress-U has won 32 seats, while the Janata Party and the BJP have 19 and 13 respectively. The Lok Dal and the SUC have secured four each and the AICP five.

CPM Politburo Statement

New Delhi PATRIOT in English 4 Jun 81 p 4

[Text] The CPI-M Polit-bureau has conveyed its "warmest greetings" to the West Bengal people as well as the Left Front and the CPI-Ms State unit for its "magnificent victory" in the recent municipal elections.

In a statement on Wednesday, the Polit-bureau explained that 65 per cent polling in the civic poll showed that the people had ignored the Cong-I's call for boycott of the elections.

It did not venture to clarify what the victory of a large number of Independents in the elections meant. It did not explain the reasons for the Left Front's poor performance as compared to the 1978 panchayat elections.

It asserted that the poll and the campaign that was completely peaceful. [as published] This was proof enough of the fact that "those who talked of breakdown of law and order in the state, including the Chief Election Commissioner, who postponed the by-elections to the State Legislature and Lok Sabha on this ground, were basing themselves on untruths to serve their own ends."

Turning to Kerala, the Polit-bureau referred to the Congress-I led Opposition leader's statement in Trivandrum on 31 May, and "certain statements" by Union Minister Yogendra Makwana. It felt Mr Makwana's statements had strengthened the impression that as in 1959 the proposed struggle this time too "has the blessings of the Union Government and the ruling party."

The Polit-bureau was confident that the Kerala people would give a fitting rebuff to these attempts.

CSO: 4220/7962

INDO-ZAMBIAN ECONOMIC DEVELOPMENT PANEL PLANNED

Calcutta THE STATESMAN in English 4 Jun 81 p 6

[Text] Lusaka, June 3--India and Zambia have agreed to set up a joint commission for cooperation in economic development, reports UNI.

An official spokesman made this announcement after an hour-long meeting here last night between the Zambian President, Mr Kenneth D. Kaunda, and the President, Mr Sanjiva Reddy, who arrived here yesterday on a four-day State visit to this country.

The initiative for the establishment of the Indo-Zambian joint economic commission was taken by Lusaka which New Delhi readily accepted. Documents giving effect to the commission will be exchanged in the course of Mr Reddy's visit which ends on June 6, the spokesman said.

Mr Reddy and Dr Kaunda met without aides for the first 20 minutes. They were later joined by officials of their respective countries. The Railway Minister, Mr Kedar Pandey, accompanying Mr Reddy, was also present.

In the wide-ranging discussions on economic issues concerning the two countries, both sides agreed to sign agreement on avoidance of double taxes to facilitate the arrival in Zambia of a greater number of Indian experts. Some 5,000 Indian experts are already working here.

Meanwhile, a 15-member Indian Railway delegation is currently here for discussions with their Zambian counterparts. Mr Kedar Pandey will hold detailed discussions with the Zambian Railway Minister.

The Small-Scale Industry Development Commissioner, Mr Ram Vepa, who arrived here last week, held discussions with Zambian authorities in pursuance of the protocol signed between the two countries during Mr Kaunda's visit to New Delhi last September--for cooperation in the field of small-scale industry.

Mr Reddy assured the Zambian President that India would give its attention to all concrete proposals put forward by Zambia in the field of agricultural and rural development. He said that Indian entrepreneurs were already in the process of setting up a paper pulp plant and a steel mill here. Besides this, an Indian concern had of late been in touch with authorities here for consultancy services to establish a steel rolling mill.

Mr Reddy conveyed to Zambia India's willingness to purchase 5,000 tons of copper wire and 60 tons of cobalt. Details of the purchase deal will be worked out by officials of the two countries.

PLANNING COMMISSION TO CONSIDER READJUSTMENTS

Madras THE HINDU in English 5 Jun 81 p 7

[Text] New Delhi, June 4--A full meeting of the Planning Commission presided over by the Prime Minister, Mrs Indira Gandhi, will be held later this month to take major decisions on sectoral readjustments in the Sixth Five-year Plan outlays on account of the disturbing revelations in the 1981 census figures.

The census figures have major implications for the Plan priorities and the Planning Commission feels that the challenge of population growth has to be met squarely. Suitable measures will have to be devised to ensure effective check on population growth with popular support.

The Planning Commission meeting will also give serious consideration to the disappointing response from the State Governments to the efforts they had earlier promised to mobilise additional resources. This also calls for major sectoral adjustments.

Deficit financing: The Commission is greatly disturbed over the possibility that the projections made in the Plan in respect of deficit financing may no longer hold on account of the fact that deficit financing is already running at a high level.

The Commission, however, feels that it will still be possible to keep deficit financing within the limits projected in the plan document provided the Central and the State Governments adopt the right policies.

The Commission has drawn the attention of the Centre to the fact that after taking into account the budgetary deficit in the first two years of the Central Plan amounting to about Rs. 2,500 crores, deficit financing will have to be restricted to Rs. 500 crores a year in the remaining three years of the Plan.

"The moot question is," says a note prepared by the Planning Commission, "whether this is a realistic assumption." It, however, points out that it will be inappropriate to assume that deficit financing would necessarily increase from year to year.

Deficit financing in 1980-81 and 1981-82 is expected to be significantly smaller than the record level reached during 1979-81 at Rs. 3,073 crores.

"One should also remember," says the note, "that deficit financing during the four years of the Fifth Plan from 1974-75 to 1978-79 amounted to Rs. 550 crores or about Rs. 140 crores a year. During 1976-77 and 1977-78, there was an overall surplus of Rs. 206 crores and Rs. 236 crores respectively. During the period, the annual growth of national income was 5.2 per cent and the Government has taken a series of measures to achieve a strict control on budgetary deficits. If the economy maintains a reasonable growth rate and strict fiscal and financial prudence, it should not be difficult to restrict the volume of deficit financing, more or less, to the level envisaged in the Sixth Plan."

CSO: 4220/7964

PAPER REPORTS REDDY ACTIVITIES IN ZAMBIA

Speech at Banquet

New Delhi PATRIOT in English 6 Jun 81 pp 1, 7

(Text) Lusaka, June 5 (UNI)--President Sanjiva Reddy today reaffirmed India's resolve to work by the side of Zambia, other frontline states and the liberation movements in Africa to ensure freedom and human rights to the long oppressed peoples of South Africa and Namibia.

Speaking at a banquet given in his honour by Zambian President Kenneth Kaunda, Mr Reddy deplored the "last ditch efforts" being made to extinguish the hopes of liberation in the remaining bastions of the racist domination in southern Africa.

Observing that there were grave threats not only to regional stability but global peace, he said, detente, instead of being a positive and dynamic process which should extend to every troubled region, has become a geo-strategic concept which is switched on and off at the whims of the powerful. There was little understanding, he said, for the hopes, aspirations, fears and interest of the developing countries.

Underlining the common perceptions of India and Zambia about the dangers, choice and opportunities facing mankind, Mr Reddy said in the days to come the cooperation and consultations between the two countries were bound to intensify.

He pledged India's willingness to participate in Zambia's developmental effort with goodwill and enthusiasm particularly in the fields of industry, agriculture, education and manpower training.

"We consider ourselves your partners in the common struggle against poverty, ignorance and disease and hope that our joint effort could become a model of cooperation between developing countries", Mr Reddy said.

Hundreds of Indians were already working in Zambia and contributing to its mammoth developmental tasks, he said, adding that new possibilities of cooperation had opened up following Dr Kaunda's visit to India last September.

PTI adds:

'It is a world in which every voice of moderation, every constructive vision of peace and stability is all the more important', he emphasised.

India and Zambia, the President said, shared the common perceptions of the dangers, choices and opportunities that faced mankind. Their faith in the relevance and durability of the non-aligned movement had grown stronger with the years. Both countries rejected any suggestion that bigger countries have a right to sort out their differences on other people's soils. Together they had been working in close cooperation within the Commonwealth, the United Nations, the non-aligned movement and other forums to contribute towards defusing of world tensions and the resolution of the major economic, social and political problems of the day.

He had no doubt that the months and years to come 'will witness a further intensification of that consultation and cooperation'.

Mr Reddy reaffirmed India's pledge to work by the side of Zambia and other Front-line States for the freedom and human rights of the people of Namibia and South Africa.

He said: "We have watched with sincere admiration the courage and sense of sacrifice that you and your people have repeatedly demonstrated so that your neighbours might also enjoy the fruits of independence".

"The fact that so many of them stand proud and unshackled today owes a great deal to you", he said.

Mr Reddy said it must be a matter of the deepest concern to the entire international community that, even as the light of freedom burned at last in Zimbabwe, sinister, last ditch efforts were under way to extinguish the hopes of liberation in the remaining bastions of the racist domination in southern Africa.

"I would like to avail of this opportunity to reiterate in the most emphatic terms the resolve of the people and the Government of India to work by the side of Zambia and other Frontline States and the liberation movements so that freedom and human rights are not denied to the long-oppressed people of Namibia and South Africa", he said.

Offering India's readiness to share its experience and expertise in every field of interest to Zambia--in industry, agriculture, education and training of personnel. [sentence as published]

Mr Reddy said, for our part, we will participate in your developmental efforts with goodwill and enthusiasm.

"We consider ourselves your partners in the common struggle against poverty, ignorance and disease and would hope that our joint effort could become a model of cooperation between developing countries".

He described his four-day State visit to Zambia as memorable and said in human terms there was a sense of closeness and brotherhood between the two countries which defied descriptional explanation.

Mr Reddy leaves for home tomorrow morning.

Agreements Signed

New Delhi PATRIOT in English 6 Jun 81 pp 1, 7

[Text] Lusaka, June 5 (UNI)--India and Zambia today signed an agreement establishing an Indo-Zambia joint commission to promote further economic and technological cooperation between the two countries.

The letters giving effect to the decision were exchanged at a ceremony attended by President Sanjiva Reddy and Zambian President Kenneth Kaunda along with members of their respective delegations.

On the last day of Mr Reddy's five-day state visit to Zambia, the two countries also signed two more documents--an agreement on avoidance of double taxation and a protocol committing India and Zambia to cooperate in the field of railway development.

The protocol concerning the Railways was signed by Railway Minister Kedar Pandey accompanying Reddy as Minister-in-waiting and his Zambian counterpart Rajah Kunda. The agreement pertaining to taxation was also formally exchanged at the function.

President Reddy had a busy day today. He met delegations of Indians living in Zambia. He also attended a reception held in his honour by Indian High Commissioner Y. J. Rajan.

The President who arrived here on 2 June after a four-day visit to Kenya, leaves here tomorrow morning for Bombay.

India and Zambia will also strive to promote a programme of cooperation in agriculture technology and industry especially in areas of power-driven manually operated farm machinery, including tractors, power-tillers and earth movers.

According to official sources, the two governments will endeavour to develop scientific and technical cooperation in the agricultural field. The programme under discussion envisages arrangements for training about 100 Zambians at agricultural training institutions in northern India. Besides there are possibilities of cooperation in establishing joint ventures in Zambia for production and processing of tea and coffee.

India may bag a contract worth Rs 18 million dollars to build a 27 km long railway track between Chipataa and Mehllenji. The track will provide land-locked Zambia an opening to the sea through Mozambique.

CSO: 4220/7966

REDDY SPEAKS TO INDIAN COMMUNITY IN ZAMBIA

Calcutta THE STATESMAN in English 4 Jun 81 p 9

[Text] Lusaka, June 3--The President, Mr N. Sanjiva Reddy, said today that the time had come for the international community to act decisively in support of the people of Namibia, reports PTI. The President, now on a four-day State visit to Zambia, was addressing the Indian community.

"We have always wholeheartedly supported the liberation struggles in Africa. We rejoiced in the independence of the people of Zimbabwe, a cause for which the Zambian people gave so much," Mr Reddy said.

He said the conferring of the 1979 Jawaharlal Nehru award for international understanding on Mr Nelson Mandela, African freedom fighter, was symbolic of India's firm commitment to the struggle of the people of South Africa which began decades ago when Mahatma Gandhi took up their cause.

He said India and Zambia were close to each other--in spite of the distance that separates them--because of the ideals they shared. Both countries had fought against imperialism, colonialism and racialism and "are now engaged in seeking to establish societies free from exploitation of man by man and based on equality and dignity of men. I have no doubt that our mutually beneficial cooperation will further increase and that the bonds of friendship will grow stronger with the passage of time."

Cooperation Urged

The President said India and Zambia had been consistently following the policy of non-alignment in international affairs. This policy which represented the hopes and aspirations of the vast majority of nations to safeguard their existence, freedom and honour and further international peace, had become an independent and positive force for world peace.

Urging every Indian in Zambia to contribute to the economic development of this African nation, he said: "You should not only contribute your best in the areas of your specialization, which no doubt is very important, but also do your utmost to promote a higher degree of understanding and goodwill with your Zambian colleagues and people of this country at large. This could further strengthen the bonds of friendship between India and Zambia."

The President gave a brief resume of the progress made in India and said his country had made significant progress in generating employment, developing rural areas, utilizing local resources and expanding production through the establishment of primary and small-scale industries. He made a reference to the Sixth Plan and the record food production expected this year. Mr Reddy will attend a state banquet given in his honour by President Kenneth Kaunda on Friday. He will leave for New Delhi on June 6.

India's decision to allow the South African People's Organization to open an office in Delhi was welcomed by President Kaunda as a morale booster for the liberation struggle in Namibia. Mr Kaunda asked Mr Reddy to convey to Mrs Gandhi and the Government of India his appreciation for this decision.

CSO: 4220/7961

DECCAN PAPER COMMENTS ON HUANG HUA VISIT

BK301452 Delhi Domestic Service in English 1545 GMT 29 Jun 81

["Spotlight" column on Sino-Indian relations by S. Visham of Deccan HERALD]

[Text] While obviously there is no ground for euphoria, New Delhi need not be unduly disappointed at the outcome of Huang Hua's visit. Indeed, it has cause for some marginal satisfaction in the sense that it has been able to secure some commitments from the Chinese side toward the prospects for the future. It has been able to establish the validity of its long-held position that a satisfactory settlement of the border is essential to the Sino-Indian normalization process. By securing Chinese agreement to the reopening of the border negotiations, New Delhi also has eliminated the possibility of the border dispute being put into cold-storage while other functional aspects of bilateral relations are gone into. This is no mean gain considering that there has been a certain degree of persistence on the part of Chinese leadership that a border settlement need not be the sine qua non for normalization.

The understanding that a team of Indian officials will travel to Beijing within the next 4 months to carry forward the dialogue on the border is by itself a recognition by China that normalization cannot be either effective or meaningful until the more contentious issue of the border has gotten out of the way.

Before we assess the outcome of the Chinese foreign minister's visit to India, it may perhaps be pertinent to ponder over the apparent keenness on Beijing's part to develop friendlier relations with this country. I used the word "friendlier" advisedly, for the nature and range of contacts between India and China have undoubtedly grown since the exchange of ambassadors in 1976. It can also be said that the visit of Huang Hua was the logical corollary of a certain stage in the development of bilateral relations which induced in both countries a desire to cultivate each other on a more rational plain of mutual understanding. It needs to be remembered in this context that Huang's visit was a byproduct basically of Chinese initiative. One had assumed that such forward momentum that had been established in developing relations at the time of Janata foreign minister Vajpayee's visit to China has been irretrievably lost because of the circumstances under which that visit was cut short and also because of the Indian recognition of the Heng Samrin government in Kampuchea. The Chinese decision to send Huang Hua to India after all was possibly motivated by the desire to give that momentum a new thrust.

India today is exercised over the deterioration in the international environs. The Chinese say that they too are similarly exercised. But inevitably the considerations leading to the assessments differ. China, which for the last 2 decades has had to put up with a Soviet presence on its northwestern borders, is now confronted with a new situation, where the Soviet presence has extended itself to the western border in Afghanistan and also in an indirect way and by proxy to its southern and southeastern borders--Vietnam and Kampuchea. This apart, it is safe to assume that Beijing has learned some lessons of its own from its teaching a lesson to Vietnam adventure. China also knows, one presumes, that there is a qualitative difference in the Indian defense preparedness between 1962 and now and, speaking relatively, India is in a strong position in these areas or in these areas where it was extremely vulnerable 2 decades ago.

If these considerations were not adequate to induce thoughts in Beijing for cultivating relations with India on a new level of understanding there is an additional one, which would aim at finding a balance between Sino-Indian and Indo-Soviet relations not to mention Indo-Vietnam ties. In other words, irrespective of whether India feels the need for Sino-Indian normalization strongly or not, the Chinese leadership finds a geopolitical and geostrategic compulsion in developing relations whose ultimate (?gain) would lead to certain readjustments in Indo-Soviet, Indo-Vietnamese friendship.

A few days before Huang Hua left for India the PEOPLE'S DAILY carried an article calling for resumption of Sino-Soviet border talks. Interpretation for the motivation for such a call varied. But the fact that India kept note of all these considerations was reflected in Narasimha Rao's carefully phrased welcoming speech at the banquet he hosted for the Chinese dignitary. We believe in cooperation, Rao said, with all powers big and small. India's friendship with any one country is never at the cost of friendship with any other country, nor would we allow ourselves to be influenced by the changing relations between our friends inter se. This was Rao's way of requesting China not to involve India with Beijing's attitudes to and relations with Moscow and Washington.

There are more expectations from Huang's India visit, but New Delhi approached it with an open mind willing and ready to respond to the extent possible to any proposal the visitor might bring. There was an expectation, however, that the Chinese side would put forward a proposal or at least a set of ideas on how to proceed with the task of normalization. The talk of a package also is very much in the air, thanks to Deng Xiaoping having articulated on the subject in his talks with an Indian journalist last year and with a member of parliament this year.

In the event it was surprising that Huang did not advance any thesis (?backing) Deng's position nor did he choose to spell out further the contours and dimensions of the so-called package. Huang's thesis was simple: given goodwill and sincerity on both sides the settlement of the border question was possible and until it was settled the two countries should maintain the status quo and the tranquility of borders. Both during the official talks and at his press

conference he said one of the three factors to be taken into account for a fair, reasonable and comprehensive border settlement should be the national feelings of the people of both countries--the other two being the historical background and the present actual position.

The reference to the national feelings is a new concept hitherto not enunciated in Chinese arguments and the logic of the national feelings factor would suggest that the border dispute will become more complex than it already is.

A marked feature of the Sino-Indian official talks was that both sides appeared equally anxious, presumably in the interest of promoting a better atmosphere, not to overemphasize the many differences, but to concentrate on continuing the dialogue. We must interpret the pronouncements made by Huang and by the spokesman of the External Affairs Ministry about the tenor of the talks being positive and forward looking against this background alone and not invest the outcome with greater success than is warranted by the circumstances.

There is a great deal of difference between being forward looking and being optimistic. It would have been different had the compulsions of normalization induced a shift in the Chinese positions on Sikkim and Kashmir. Huang gave no indication of this.

India has again [words indistinct] sense that the border is now the main question on the agenda of future Sino-Indian negotiation. Nonetheless, prudence demands that Indian public opinion should not be geared to expect an early breakthrough in the negotiations. The border issue [word indistinct] with complexity and if one recalls the frustrating experience of the 1960 negotiations, it is seemingly insurmountable. A great deal will depend on the extent to which India's continuous efforts in keeping the border issue essential to normalization succeed. Inevitably, negotiations are going to be long drawn out and it will be wiser to anticipate serious setbacks and minor successes without losing hope in the ultimate result.

CSO: 4220/328

DEMAND FOR UTTARKHAND STATE GAINS GROUND

Madras THE HINDU in English 11 Jun 81 p 7

[Text] Calcutta, June 10--The West Bengal Government is concerned over the spread of the agitation for a separate Uttarkhand State in its northern parts.

Recently, a deputation of the agitationists, mainly representatives of the Scheduled Castes and Tribes, complained to the Prime Minister, Mrs Indira Gandhi, that they were being discriminated against by the Left Front Government in the matter of jobs, etc.

When signs of the trouble first appeared about 18 months ago in the five districts of North Bengal, where the Scheduled Tribes and Castes account for about 60 per cent of the population, the Left Front reacted promptly. The Chief Minister, Mr Jyoti Basu, addressed several meetings.

But the situation has since deteriorated sharply, and even a Minister, who hails from North Bengal, admits of this. Demonstrations and arrests have become common. The Minister said he would draw the attention of the Cabinet to the gravity of the situation.

Mr Basu had written to all Ministers asking them to mention details about jobs given to the Scheduled Castes and Tribes. According to a Government spokesman, only six Ministers had replied.

The Scheduled Castes and Tribes of the region are known to have established links with the AASU and AAGSP, which are agitating against the "foreigners" in Assam. The North Bengal tribes, too, have demanded in a recent communication to the Chief Election Commissioner, that the people from the then East Bengal, who had settled in North Bengal, should not be enlisted as voters unless they had citizenship certificates.

The CEC has contacted the Deputy Commissioner of North Bengal, Mr Akhil Jain, over the matter.

The Scheduled Tribes and Castes have also set up a students organisation, called the Students' Federation, which has been active in Delhi.

During the recent census operations in North Bengal, the Bengali-speaking members of Scheduled Castes and Tribes registered themselves as "Kamrupis". Kamrupi is a language common in parts of North Bengal and the Goalpara district of Assam.

The Minister complained that so far the Congress (I) had not condemned the demand for a separate State. On the other hand a leader of the separatists, Mr Sampat Rai, was known for his pro-Congress (I) views.

Leaders of the Jharkhand movement have also maintained links with the pro-Uttarkhand elements.

During his visit to Calcutta, Mr Jagjivan Ram, Congress (U) leader, had stated that a single organisation to represent the interests of all backward tribes and castes was inevitable. He also believed that a Jharkhand State would eventually emerge.

CSO: 4220/7977

UTTAR PRADESH BARS EMPLOYEES FROM RSS, JAMAAT

New Delhi PATRIOT in English 4 Jun 81 p 4

[Text] Lucknow, June 3--The Uttar Pradesh Government has banned State Government employees from taking part in the activities of the RSS and the Jamait-e-Islami.

According to a Government release issued today, participation will be considered a violation of rule 5 (1) of the UP Government Employees Conduct rules, 1956. If a Government employee accepts the membership of any of these organisations or takes part in their activities, disciplinary action can be taken against him.

In an order issued by the State Government in this connection, it has been said that the ban covered Jamait-e-Islami Hind and Jamait-e-Islam, Jammu and Kashmir.

It has also been made clear that in view of the present situation in the country and the State, the Government employees should remain secular in their attitude and activities so that communal disharmony or communal differences may not be encouraged.

It has also been decided not to pay any attention to representations or applications made on a communal basis, by any person or organisation.

CSO: 4220/7962

RAILWAYS ACHIEVE RECORD IN LOADING FOODGRAINS

New Delhi PATRIOT in English 4 Jun 81 p 5

[Text] Operational innovations like the introduction of jumbo rakes and the reorganisation of wagon fleet in the recent past have enabled the railways to set new records of loading of foodgrains and other freight commodities, reports PTI.

In May this year, 1,536 wagons of sponsored foodgrains were loaded every day on the Northern Railway alone against 1,353 wagons daily in March and 1,480 wagons in April this year.

Data for overall freight traffic also shows spectacular performance. In April and May this year nearly 35 million tonnes of originating freight traffic was carried against 30.41 million tonnes in the corresponding months of last year.

In terms of wagons, 1,93,000 [as published] more wagons were loaded in April and May this year than in the corresponding period last year. These additional wagons carried about 4.5 million tonnes of freight in them.

On the passenger front, too, innovations like the double-headed trains with more coaches and longer holidays specials have enabled the railways to set a new record of passenger traffic. In May this year, about 143 million non-suburban long-distance passengers were carried by the railways. This number is the highest for any month on record.

CSO: 4220/7962

DIFFICULTIES IN FINANCING SIXTH PLAN SEEN

Calcutta THE STATESMAN in English 5 Jun 81 p 8

[Editorial: "Updating the Sixth Plan"]

[Text]

SINCE the Sixth Plan was finalized early this year, several developments have cast doubt on the validity of its assumptions on available resources which are relevant to the growth rate to be achieved. The most obvious is the gap of Rs 5,000 crores to be covered by deficit financing in the entire Plan period: more than four-fifths of this figure will be reached or exceeded in the initial two years alone. This will not be the first time that such a consciously accepted upper limit for deficit financing is rendered meaningless, encouraging inflationary expectations in the context of the large outlays proposed. At the States' level, the situation is no better since the promised additional resources, on the basis of which their Plans were approved, have not been raised and even the available funds have been diverted to non-Plan expenditure. This is also an established pattern which is unlikely to be reversed. The Minister for Planning

proposes to have a further dialogue with the State Chief Ministers on these questions, but at least for the rest of this financial year (which is the second year of the Plan) there may be few alternatives to a sharp pruning of the approved outlays in the States' sector.

It is too early yet to predict, however sceptical one might be, that the present calculations of budgetary savings and surpluses of public sector enterprises will prove unrealistic. However, in calculating the external resources, the Plan proceeds on the basis that our foreign exchange resources will be drawn down only to the extent of Rs 1,000 crores (from Rs 5,184 crores in April 1980), a process which appears to have been completed already in the first year. The estimate of net inflow of external resources of Rs 9,929 crores may be regarded as less unreliable if the outlook improves for aid from the industrial countries and recycling of OPEC surpluses gathers

momentum. The Finance Minister, Mr Venkataraman, has widened his options by seeking assistance also from the Asian Development Bank and the IMF to make up for the inevitable decline in the percentages of aid commitments from the World Bank group. The scope for increase in bilateral aid will depend on the general international climate and the reactions of the richer countries to the ideas of the Brandt Commission and the developing nations for constructive responses during the North-South dialogue. The Indian Government has also preferred to tap the international money markets for moderate amounts of external resources where the projects to be financed are sufficiently profitable to help service such high-cost loans. On balance, therefore, inflow of external assistance to the extent of 16 per cent of the Plan outlay in the public sector may be less uncertain than the estimates of domestic resources.

CSO: 4220/7963

STEPS IN INDO-SOVIET SPACE COOPERATION REPORTED

Madras THE HINDU in English 5 Jun 81 p 9

[Text] Moscow, June 4--Indian space scientists are working out details of the flight experiment programme for the proposed joint space flight of Indian and Soviet cosmonauts, Intercosmos Deputy Chairman Mr. N. S. Novikov, indicated today.

He said that with India's acceptance of the Soviet proposal for a joint manned space venture, "we are now eagerly awaiting the arrival of future spacemen from India for training in the Soviet Union."

The Soviet machinery for international flights at present "is in full gear," Mr. Novikov added.

Mr. Novikov however agreed that every space flight needed thorough preparation and said that the Soviet Union appreciated the time taken by India in the matter.

He hinted that Indian cosmonaut along with his Soviet colleague would work in Salyut-6-Soyuz complex. "All socialist countries have now availed themselves of our facilities for space flights and now French spacemen are undergoing intensive training and are expected to undertake space flight in the second half of 1982."

Asked about the proposed manned flight, Prof. U. R. Rao, Director of the Satellite Centre of the Indian Space Research Organisation, said in Bangalore yesterday that nothing had been finalised as yet. "The Soviet Union has made a proposal and we are still considering it."

Prof. Rao said such proposals needed a lot of planning and could not be decided upon immediately.

A 25-member high level team of Soviet space scientists led by Mr. Novikov will arrive in Bangalore late in August or early in September to conduct complex tests of the flight model of India's third satellite to be launched from a Soviet cosmodrome.

Mr. Novikov said that the satellite was now being given final touches. Everything was "going smoothly," he added.

The satellite would carry out more complicated tasks than its predecessors and was equipped with more intricate instruments including powerful solar batteries.

A team of ISRO scientists led by Dr. K. Kasturirangan, Director of Project SEO, is currently here holding discussions on the schedule for launching India's second Satellite for Earth Observation (SEO-2).

Work is already on at the satellite centre in Bangalore on the flight model of SEO-2 which is an improved version of Bhaskara one with higher photographic resolution.--UNI

PTI reports from Bangalore:

A star mapper which can be used on a spinning satellite and a star tracker for a three-axis stabilised satellite have been designed and developed by the Indian Space Research Organisation.

This development provides ISRO the capability to make star sensors for Indian remote sensing satellite which would be ready for launching during 1985-86, according to the ISRO.

The ISRO exported 634 precision pressure transducers to Societe Europeene de Propulsion (SEP) in France during 1980-81. Under an agreement transducers required for Ariane programme are to be supplied to the company as part payment for acquiring from it the technology of liquid rocket engines. Over 5000 transducers had been supplied to SEP so far.

CSO: 4220/7964

DEMOCRATIC YOUTH FEDERATION EXECUTIVE MEETS

New Delhi PATRIOT in English 7 Jun 81 p 12

[Text] The Democratic Youth Federation has decided to build a mighty movement of the left and democratic youth forces to combat imperialist, separatist, reactionary and communal forces threatening the integrity of the country.

The decision was taken at its two-day central executive committee meeting which concluded in the Capital on Saturday. The meeting was attended by 30 representatives from 15 States.

The Federation observed that the US nuclear bases in Diego Garcia and the re-arming of Pakistan posed a danger to the security of the country. It also said that US imperialist forces were making insidious attempt to destabilise the country.

Talking to newsmen Federation general secretary Hannam Mollah said, barring a few left and democratic forces, all the youth forces in the country were working for its disintegration as witnessed in Assam, Punjab, and Bengal. Ironically, Mr Mollah said these forces were getting the support of the ruling party.

A time had come when the entire youth force of the country should wake up and defeat this nefarious policy. What was of concern was the country's integrity which had to be pressured at all cost, he added.

Mr Mollah said that the federation had received active support from several youth organisations for its proposed campaign regarding 'education for all' and 'employment for all'.

In a resolution on unemployment, it has demanded that the right to work be incorporated as a fundamental right in the Constitution and guaranteed jobs for all failing which employment relief be given.

It also sought implementation of the national rural employment programme reservation laws.

In a resolution on communalism and recent riots, the federation alleged that the ruling party had made compromises with the communal forces instead of fighting it. It has demanded that the victims of the communal violence be adequately compensated and those responsible for the riots brought to book.

In a separate resolution on the Irish problem, it accused the Bri- [as published; article ends here].

AKALI DAL LEADER ANNOUNCES WORLD SIKH MEETING

New Delhi PATRIOT in English 6 Jun 81 p 4

[Text] Amritsar, June 5 (PTI)--President of the Akali Dal (Sant faction) Sant Harchand Singh Longowal, said here today that a world Sikh convention had been called here to consider the issue of Government's alleged interference in the religious affairs of the Sikh community and launch 'dharam yudh' (holy war) for ending.

The date for the convention would be announced within this week. Representatives of all religions and minorities, including Hindus, would be invited to attend the convention, the Sant told a press conference here.

"Height of injustice has been done to the Sikhs during the recent Delhi Gurdwara Parbandhak Committee elections as the Government has deliberately saddled its stooge to manage Delhi Sikh shrines," he said.

Sant Longowal added that one lakh volunteers would be enrolled for the 'daram [sic] yudh'. The world Sikh convention would formulate its time and strategy.

He alleged that police power was 'misused' in the Delhi Gurdwara Parbandhak Committee presidential elections to instal Mr Santokh Singh. He also alleged that his (Mr Santokh Singh's) election propaganda was done by Central Ministers, Chief Ministers and even the Prime Minister herself. The DGPC members were offered allurements in the form of cash and plots and some of them were even threatened, he added.

The meeting by a resolution expressed its appreciation of the 26 Delhi Gurdwara Parbandhak Committee members, who resisted 'allurement of the Government' and extended their support to the Akali Dal (Sant faction).

The meeting by a resolution condemned the Punjab Government decision cancelling license of weapons for one month and demanded its withdrawal.

CSO: 4220/7967

TRANSPORT MINISTER REPORTS ON VISIT TO USSR

New Delhi PATRIOT in English 6 Jun 81 p 5

[Text] Cargo traffic between India and the Soviet Union is expected to go up to two million tonnes in the next five years from the present one million tonnes, excluding the POL (Petrol, Oil and Lubricants).

Shipping and Transport Minister Veerendra Patil, who had just returned from the Soviet Union after participating in the 25th anniversary celebrations of the Indo-Soviet Shipping Agreement, told newsmen on Friday that the traffic was only 1.48 lakh tonnes in 1957 when the agreement was initiated.

The Soviet Union has also agreed to consider India's request to open up its east coast ports to Indian shipping lines in view of the envisaged expansion of cargo traffic between the two countries. He told that at present the cargo traffic was restricted to the Black Sea port of Odessa which had become congested.

Mr Patil said the Soviet side had agreed to reserve two berths for Indian ships at the Odessa port, which had cut down their waiting period from between 30 and 60 days to three or four days. The Soviets had also promised to reserve one more berth and consider sympathetically India's request for a fourth one.

Containers

Indian ships are already lifting about 15,000 tonnes of Soviet newsprint from the far-eastern port of Olegorsk.

He said he found a keen desire on the part of the Soviet Government and shipping circles to further strengthen the existing excellent relations between the two countries in the field of shipping. A protocol was signed in this connection.

The Minister said the Soviet Union had evinced a keen desire to buy from India 10,000 to 15,000 containers to help increase containerised cargo traffic between the two countries. The request is being examined by his Minister in consultation with Commerce and Industry Ministries.

Increased containerisation would help quicker movement of Indian goods to various parts of the Soviet Union. Also, there was shortage of labour at the Odessa port, which handles the Indian cargo. The number of containers moved between the two countries was likely to go up to about 5,000 in terms of the recently-signed protocol, from the about 1,700 at present.

DROP IN REMITTANCES FROM ABROAD REPORTED

New Delhi PATRIOT in English 6 Jun 81 p 5

[Text] Bombay, June 5 (UNI)--Fresh remittances in US dollars and pound sterling under the Foreign Currency Non-Resident (FCNR) deposit account scheme have shown a substantial fall from the second half of 1978, according to Reserve Bank of India (RBI) statistics.

The statistics which were released today showed that the fresh remittances in US dollars inflow had gone down to nearly one-fifth in 1979 what they were in 1977.

In 1979 fresh remittances formed 85.50 per cent of 97 million dollars (about Rs 85 crores) foreign currency deposits that came from non-residents.

While the amount of deposits went down in the two subsequent years the fresh remittances as percentage of the deposits also showed downward trend.

In 1978, the total deposits came down to 49 million dollars (about Rs 40 crore) and the fresh remittances share came down to 69.55 per cent.

In 1979 the deposits came down to 31 million dollars (about Rs 25 crores) and the share of fresh remittances to 50.57 per cent only.

The October-December quarter of 1979 showed that the total deposits figure had touched a new low of 5.6 million dollars (about Rs 4.5 crores) and the fresh remittances formed 3.10 per cent--the lowest share since the scheme was launched in November 1975.

The statistics showed that up to December 1979 the total deposits of US currency were 224 million dollars equivalent to about Rs 130 crore.

Nearly 90 per cent of the pound sterling accounts opened up to December 1979 were less than pound sterling 3,000 each. The share of such accounts in the total deposit amount ranged between 50 and 60 per cent during 1969.

In the case of dollar deposits about 80 per cent of the accounts opened up to December 1979 were less than 5000 dollars each and these small accounts accounted for 20 per cent to 40 per cent of the total deposit amount.

The statistics show that the scaling down of the interest rates and reduction in the maximum period of the deposits to five years in 1978, brought about a slump in the long term deposits.

ITALIAN FIRM SIGNED FOR BOMBAY HIGH CONSULTANCY

New Delhi PATRIOT in English 6 Jun 81 p 5

[Text] Indian Oil Corporation (IOC) has awarded a contract to Snam Progetti, an Italian company, for consultancy services regarding the pumping of Bombay High crude through the Salaya-Mathura pipeline, reports UNI.

Some problems are envisaged by the IOC in the transportation of Bombay High crude, which is waxy and has high pourpoint, through the pipeline to Koyali and Mathura refineries, particularly during winter months.

Under the agreement signed in Delhi on Friday, Snam Progetti will conduct studies and offer solutions to facilitate the movement of the crude.

The investigations and studies are to be completed before the end of the year under the agreement signed by IOC's pipeline division General Manager N. V. Balwan and Mr Ottavio Quattrocchi, Snam Progetti's representative for South Asia.

The IOC will pay about Rs 12 lakhs for the consultancy services under the agreement.

The Salaya-Mathura crude pipeline was originally designed for the transportation of light West Asian crude to the Koyali and Mathura refineries. But with the steep hike in international crude prices and the potential for increased production from Bombay High, the Government has decided to use the part of Bombay High crude also for the Koyali and Mathura refineries.

CSO: 4220/7967

BOKARO STEEL PLANT REACHES RECORD PRODUCTION

New Delhi PATRIOT in English 8 Jun 81 p 4

[Text] Patna, June 7--Maintaining its all time high production trend the Bokaro Steel Plant has surpassed all the previous production records in the month of May according to a PIB press release.

During the month it produced 1,76,116 [as published] tonnes of gross coke; 1,56,021 tonnes of ingot steel; 1,58,211 tonnes of ingot rolled, 1,36,286 tonnes of slabs; 1,29,729 tonnes of hot rolled coils, 39,456 tonnes of hot rolled plates and sheets, 31,430 tonnes of cold rolled coils, 13,205 tonnes of cold rolled sheets, surpassing the targets.

2,13,552 tonnes of gross inter, 1,85,222 tonnes of hot metal and 36,005 tonnes of pig iron were also produced. Total saleable steel produced in the month of May was 1,14,374 tonnes.

In addition the plant produced 832 tonnes of sulphuric acid, 2,923 tonnes of ammonium sulphate, 6,133 tonnes of crude tar, 25 tonnes of pressed naphthalene, 215 tonnes of soft pitch, 156 tonnes of road tar, 70 tonnes of coal oils, 5,312 tonnes of granulated slag and 578 tonnes of ferrous sulphate.

In May, the plant despatched 36,088 tonnes of pig iron, 4,028 of slabs which is 101 per cent of the target, 40,732 tonnes of hot rolled coil which is 119 per cent of the target, 2,667 tonnes of cobbled plate, 28,311 tonnes of hot rolled plates, 9,578 tonnes of hot rolled sheets, 14,176 tonnes of cold rolled coils, 15,370 tonnes of cold rolled sheets which is 128 per cent of the target, 168 tonnes of hot rolled pickled coils and 56 tonnes of slab and cutting. Total saleable steel despatched during the month was 1,16,944 tonnes.

Highlights of the months were commissioning on 27 May of the fourth blast furnace complex, first major unit of 4.0 million stage as far as iron making is concerned.

CSO: 4220/7971

STEEL CASTING UNIT'S CAPACITY UNDERUTILIZED

New Delhi PATRIOT in English 6 Jun 81 p 5

[Text] Steel castings units, which constitute a vital input for all engineering industries in the country, continue to suffer from poor capacity utilisation, reports PTI.

According to a supplement on guidelines for industries, published by the Indian Investment Centre, decline in the demand for general steel castings, lack of facilities in many of the units for taking up the manufacture of special steel castings, power restrictions and also the availability of substitutes like SG iron castings are some of the main constraints for the present under-utilisation of capacity in the steel castings industry.

Percentage utilisation of capacity in this industry was 42.5 in 1977, 48.4 in 1978 and 44.6 in 1979, while production for the three years was 68,000 tonnes, 76,000 tonnes and 75,000 tonnes respectively. The total licensed/registered capacity covered by the units in production is of the order of 250,000 tonnes per annum.

Steel forgings units which are vital in the manufacture of automotive and earth-moving equipment, industrial machinery, chemical and fertiliser plants, also suffer from poor capacity utilisation.

Production of steel forgings (both closed die and open forgings) during the last three years was 94,800 tonnes in 1977, 98,000 tonnes in 1978 and 119,000 tonnes in 1979, though the installed capacity of the 72 units engaged in the manufacture of steel forgings was 230,000 tonnes per annum.

As the demand for steel forgings is likely to rise in view of a substantial step-up in the production of commercial vehicles, tractors, scootery, diesel engines, machine tools and industrial machinery, it is suggested that proposals for foreign collaboration for the manufacture of closed die steel forgings could be considered on merits. At present a sizable part of the capacity is for open forgings, for which there is a limited demand.

CSO: 4220/7967

BENGAL EXPECTS LARGE POWER SHORTAGE BY 80'S

Calcutta THE STATESMAN in English 4 Jun 81 p 3

[Text] The West Bengal Power Secretary, Mr S. S. Verma, told the Electricity Inquiry Commission, set up by the High Court, in Calcutta on Wednesday that the shortfall in power supply would rise to 1,000 MW during the next nine years in the State. He said that this shortfall was estimated after taking into account the power that would be available from the projects now under construction.

It was revealed during the deposition by the Power Secretary that there was virtually no plan to tackle the deficit in power supply during the next 10 years. There were no proposals for new power projects in the State awaiting approval of the Central Electricity Authority.

When the commission asked Mr Verma whether there was any scope for private enterprise to set up power stations in the State, he said that the Indian Electricity Act had categorically forbidden setting up of power stations in the private sector. He said that under the Act, only the State and the Central Government could take up power projects in the country.

Mr Verma said the power position in West Bengal was bad in comparison to some States in the sense that power consumption for every 1,000 people in the State was only 35 KW. In Maharashtra and Gujarat, the consumption was 60 KW and 75 KW. Even the national average was 40 KW for every 1,000 people, he said.

Brigadier B. Mullick, a member of the Commission, said that the delay in commissioning all ongoing power projects was largely responsible for the present power crisis. He said that in the course of deposition by the senior officials of the State Electricity Board during the past few days, it was established beyond doubt that the Board's power projects took between 10 and 15 years to complete. He said that if this was the Board's normal pace of work, it should take up new schemes for future power stations during the current year to meet the demand in 1990.

When the commission asked the Power Secretary to identify the reasons for the delay in commissioning new power plants, Mr Verma said the slow process of acquiring land for the proposed power stations, delay in supplying turbines, boilers and other equipment by different agencies and lastly "go slow" by some contractors' labourers were mainly responsible for the delay.

At this stage, Mr Jahar Sengupta, chairman of the commission, remarked that the Government should take the Press into confidence for mobilizing public opinion against those people who were holding the project officials to ransom. He said that these problems were not adequately focussed in the Press.

Earlier, the commission expressed surprise when the chairman and other members of the West Bengal State Electricity Board said that they could not remember what submission they had made before the commission in their affidavits. They said that the affidavits were prepared by legal experts.

But this commission reminded the chairman of the Board that when he had put his signature on the affidavit it would be deemed to be his own statement and not of the person who had actually prepared it. The commission, however, allowed the Board's representatives a day's time to go through their own affidavits so that they could answer questions based on their statements submitted before the commission.

Mr A. K. Dasgupta, member (Commerce) of the Board, said the State Electricity Board had paid nearly Rs 7 crores to the Calcutta Electric Supply Corporation during the past three years for the Board's failure to honour its contractual obligation to the CESC to supply about 400 MW to the Calcutta system. He said the SEB was one of the agencies supplying power to Calcutta. "Even if the SEB supplies the full quota to the CESC, there may be power cuts in the city if the other agencies fail," Mr Dasgupta said.

It took about one and half hours to clarify how far the State Electricity Board was responsible for the failure in maintaining uninterrupted power supply in the Calcutta area. The commission's chairman, Mr Sengupta, at one stage told Mr Basu, the SEB chairman, that he could not deny the responsibility. "You can say that you are not alone to blame," he added.

The commission was also not satisfied with the explanation given by the representatives of the CESC that they could not have taken up expansion programmes before 1972 because of the Government's apathy towards the company. They said the Government's policy was changed during the regime of the previous Congress Government in the State and the CESC's proposal for a bigger power station at Titagarh was approved.

The commission asked the CESC representatives what they had done between 1961 and 1974 to apprise the Government about the critical power position during the '70s. The commission expressed the view that had the CESC replaced its old boilers as permitted by the State Electricity Board during 1965, the position could have been better now.

CSO: 4220/7961

SHORTFALL IN BENGAL JUTE PRODUCTION EXPECTED

Madras THE HINDU in English 11 Jun 81 p 7

[Text] Calcutta, June 10--There will be a marked shortfall in jute production in West Bengal this year, Mr. Kamal Guha, Agriculture Minister, said here. He attributed this to growers--many of whom were deep in debt because of unremunerative prices over the years--switching over to other crops on a large scale for the first time.

Mr. Guha said the Left Front had been forced to support the stand taken by the cultivators, because the Jute Corporation of India could undertake the purchase of only a small part of the total production.

The production last year was around 44 lakh bales. The JCI had promised to buy five lakh bales, but eventually bought only four lakh bales.

The growers could not get any benefit as speculators and hoarders in India and Bangladesh managed to sell their jute at a premium to the JCI. The cultivators, who arrived a little late, were told that the JCI had ended its purchase for the season.

This year, the production shortfall might be around one million bales, Mr. Guha estimated.

To end speculation and the activities of hoarders in India and Bangladesh, the Government had introduced the system of issuing special cards to the growers. Already, about two lakh farmers of the eight border districts had been given these cards, wherein details of their land and production would be maintained. Without these cards, no farmer would be able to sell either to the JCI or to any other agency.

CSO: 4220/7977

NATIONAL POLICE COMMISSION SUBMITS RECOMMENDATIONS

New Delhi PATRIOT in English 6 Jun 81 pp 1, 7

[Text] The National Police Commission has warned the Government against simmering discontent in the police and paramilitary forces and the increasing interference in their functioning by political interests. Unless immediate remedial measures were taken, the situation could aggravate, commission chairman Dharma Vira told news men on Friday.

Expressing his deep concern at the continued decline in the law and order situation, the increasing communal, (caste) and agrarian conflicts which, he said, were fuelled and exploited by so-called political leaders, Mr Dharma Vira warned that unless the Government did something, the "people will have to take it in hand".

The chairman and members of the Police Commission, who submitted eight reports to the Central Government before the commission wound up its activities on 31 May, were apprehensive of the Government's willingness to act on the reports. It seemed Mr Dharma Vira said, as if the Government was not really alive to the gravity of the situation.

While he refused to comment on the appointment of former Intelligence Bureau chief D. Sen by the present Government to "process" the commission's reports and various Government pronouncements that implementation of the recommendations were not mandatory, Mr Dharma Vira said he could not understand why the Government had not made public the last seven reports.

The first report, submitted while the Janata was in power, was placed in Parliament, but was then shelved by the Government. "They had to bring it out in a hurry" when police contingents in various States revolted amidst considerable bloodshed and confusion. The report was then accepted almost in its entirety and some aspects of it were also implemented. However, the implementation remained very poor.

After the Government's change the other seven reports, submitted at various times, had almost been forgotten. Mr Dharma Vira pointed out that when the Cong-I Government came to power, he offered to resign so that the new Government could take a fresh decision a commission of its choice. (as published) "I was however told that the Government wanted the commission to continue and complete its job which was held of considerable importance", he said.

Mr Dharma Vira and commission member K. F. Rustomji, the founder of the Border Security Force and its one-time director general would not elucidate on the details of their recommendations, pleading the Officials Secrets Act, but said that their reports were geared to bringing the police force and its actions in tune with the times. The organised police force was set up after the 1857 revolt, and for all practical purposes, continued to operate in the format of that period.

The commission also expressed its concern at the rising acts of terrorism and the fact that the country's scores of Central and State intelligence services were not geared to meet the challenges. The commission did not study this issue for want of time, neither did it study the intelligence structure or the paramilitary forces but has strongly recommended that the Government appoint someone to investigate the situation before it was too late.

Among its other recommendations--and the commission studied almost every aspect of the police and its inter-relationship with society--are understood to be a radically different approach to policing the sensitive north-eastern States. Mr Dharma Vira said the north-eastern States had strong traditions of their own tribal-oriented policing systems, and the imposition of so-called 'civilised', policing principles had led to friction.

Mr Dharma Vira scoffed at arguments that the commission's recommendations would impose an unbearable financial burden on State and Central Governments. The burden for increasing pay-scales, providing housing, better training facilities and comparative modernisation of an eight lakh strong national police force would come to about Rs 2,000 crores over a period of ten years, Mr Dharma Vira said. This money could be found, he added.

The commission was set up under a Government resolution on 15 November 1977 and started functioning by mid 1978. With Mr Dharma Vira, a former Governor of West Bengal and Karnataka, as chairman, the commission had as its other members retired Madras High Court N. K. Reddy, Mr K. F. Rustomji, former UP Inspector General of Police N. S. Saxena, Tata Institute of Social Sciences professor M. S. Gore and the then CBI director C. V. Narasimhan as its member-secretary. The member secretary was changed twice.

Its first report dealt with the constabulary, its pay structure, housing, supply of essential commodities, orderly system, machinery for redressal of grievances, recruitment and training and the methods of investigating complaints against the police themselves.

The report recommended that policemen be allowed to set up associations for a proper ventilation of their grievances, warning of growing unrest. The reports also expressed concern at the violation of human rights during investigations and stressed that the police forces be accountable not only to their own superiors and the law of the land, but also to the public.

Subsequent reports dealt with political pressures on police, held to be at the root of many ills of the force, the police attitude to the weaker sections of society, modernising law enforcement, industrial and agrarian problems, the officer cadre and communal riots. Other reports suggested over-all restructuring of the police forces and recommendations for revisions in the Police Act. Also recommended were codes of behaviour for police officers, the doing away of the orderly system and better community relations of the policemen.

INDIAN, SOVIET OIL EXPERTS PLAN JOINT SEARCH

New Delhi PATRIOT in English 6 Jun 81 p 3

[Text] Moscow, June 5 (UNI)--Indian and Soviet oil experts are working on a long range plan covering a period till 1990, for the extraction of oil and gas in India.

Stating this, Soviet Deputy Oil Minister D. Takoyev told UNI today that exploration work would be carried out in various regions of India.

He said the Soviet experts had already drilled a 2.5 km deep well in Tripura. They are to complete another 2.5 km before gas deposits could be found. He did not rule out the possibility of finding oil in the well.

The Soviet Minister said drilling to such depths was a highly expensive job, requiring about Rs 80 million for each well.

Direct participation by the Soviet drillers in such a complex job would greatly facilitate India's work, he said.

He indicated that geo-physical prospecting in West Bengal and Tripura will be undertaken with Soviet assistance in December.

Mr Takoyev said the Soviet Union under various protocols and agreements signed, would explore and develop one or two oil and gas deposit areas and hand them over on turn-key basis. Besides it would assist in extended repairing about 400 wells not in operation. This will enable India to obtain an additional one million tonnes of oil annually, he said.

The Soviet Union will also help India to introduce new methods for raising the extractable per cent of oil. India will receive necessary rigs and other equipment for the purpose.

CSO: 4220/7966

OIL MINISTER REPORTS TO PRESS ON MEXICO TRIP

Madras THE HINDU in English 11 Jun 81 p 7

[Text] New Delhi, June 10--Mr. P. C. Sethi, Union Minister for Petroleum, Chemicals and Fertilizers, hinted here on Tuesday that the Government might offer more inducements to foreign oil companies which have not responded to its earlier offer for oil exploration.

Addressing a news conference on his return from Mexico, Mr. Sethi said the response to the Government's letter to 22 foreign oil companies was not up to its expectations. "We may go for a second round. We may have to think of some changes in the blocks which have been offered to them".

The exact position on these talks would be known in a month.

Mr. Sethi said one reason for the disappointing response was that some foreign oil companies felt that the most attractive blocks had been retained by the Oil and Natural Gas Commission (ONGC). There was no question of Government taking away any of the existing areas where ONGC was now exploring and handing them over to foreign firms.

On the question of participation of the Compagnie Francaise des Petroles (CPP) of France in the expansion of Bombay High production, Mr. Sethi said the final round of talks would be held in Paris on June 18 by Mr. P. T. Venugopal, ONGC Chairman.

No share in oil: They have finally agreed that there will be no question of any share in oil. The French firm will come only on the basis of a technical fee for its personnel, knowhow and equipment. If everything goes well, Bombay High will produce 23 million tonnes by 1983-84.

The State-owned oil company of Mexico, Pemex, which responded to the Government's offer, had shown interest in the Saurashtra off-shore block. But it was inclined to take up only geophysical exploration involving \$35 millions at its own cost.

But the Petroleum Ministry and ONGC had told the company that it should take up the drilling of at least six wells which might cost \$55 to 60 millions. Mexico had said that it would consider this.

A proposal was made to Mexico for setting up a joint refinery in India and it was inclined to accept it in principle. Mexico had asked for a project report to examine this proposal in depth and Mr. Sethi had agreed to prepare it at the earliest possible time.

Mexico has agreed to continue the supplies of sulphur and hydrochloric acid. It is willing to increase the supply. It has suggested that India should participate in a joint venture project for the setting up of a phosphoric acid plant in Mexico.

Engineers India Ltd. will soon have discussions with the Mexican Petroleum Institute on the transfer of personnel to train its staff.

Mexico is keen to have Indian collaboration and technical knowhow for the production of streptomycin. It is interested in purchasing of the drug paracetomol from India.

His Ministry was having some "casual thinking" on exploration in the Godavari off-shore basin. "We may have to consider dividing the Basin into deep and shallow ones and seeking foreign collaboration for the exploration of deep waters while the shallow water exploration could be left to ONGC."

The possibility of finding oil in the Godavari basin was tremendous and we were in a great rush to find it. On account of strong ocean currents and great depths, a lot of equipment had been lost.

Mexico cuts price: On the outcome of his visit to Mexico, he said: Mexico which will be supplying (1.5) million tonnes during 1981 to India has agreed to reduce its price by \$4 (Rs 32) a barrel. But Mexico has not agreed to India's request to vary the proportion of the crude so that India could get lighter crude suitable to its refineries and capable of yielding more high speed diesel oil and kerosene.

Now 60 per cent of the crude supplied by Mexico was heavier crude yielding more fuel oil. However Mexican experts will be arriving in India on June 15 to advise on how best the difficulties could be removed. Pending talks the Mexicans have not agreed to swapping of the crude.

Their experts will suggest changes in the operating conditions of the Indian refineries to enable them to take the heavier "maya" crude. However, if swapping is found necessary Mexico is likely to agree to it provided the swapping is done with countries other than the U.S.

CSO: 4220/7977

COAL PRODUCTION UP BY 3.5 PERCENT IN APRIL, MAY

New Delhi PATRIOT in English 8 Jun 81 p 7

[Text] Coal production increased by 6,30,000 [as published] tonnes and coal despatched went up by 12 per cent during April and May, the first two months of the current financial year, as compared to the corresponding period last year, an official spokesman claimed on Sunday.

During the last two months, coal output was 18.33 million tonnes as against 17.70 million tonnes in the same period last year marking an increase of 3.5 per cent.

The spokesman said the production would have been higher but for the recurring industrial unrest in Singareni which has caused fall in output.

Coal despatches to various consumers increased by 1.97 million tonnes during the last two months as compared to this period last year.

The spokesman said coal despatches to thermal power stations continue to receive a high priority. Improvement in despatches to these stations by means other than rail also helped in increasing thermal power generation.

Availability of wagons for coal loading in Singareni and CIL improved during April and May 1981 leading to an increase of 10.7 per cent in loading.

During this period 8737 wagons were loaded in a day as against the daily loading of 7892 wagons during April-May last year.

Despatches of coal by road and other non-rail means went up by over 0.8 million tonnes during the period.

The despatches of coking coal to steel plants improved by 6.5 per cent with 2.39 million tonnes of coal being despatched to the plants as against 2.25 million tonnes in the same period last year.

As a result, the coal stocks of the steel plants are now at a comfortable level of over 4 lakh tonnes.

On an average 3678 wagons of coal were daily loaded to the thermal power stations in the current year as against 3041 wagons a day in April-May 1980.

CSO: 4220/7971

BRIEFS

KERALA CPI-ML--Cochin, June 5 (UNI)--The Kerala committee of the Communist Party of India (Marxist-Leninist) has reiterated the decision to continue its struggle to establish "people's political power by eliminating people's enemies" despite the threats from the Government and the police. The committee claimed that the struggle launched at Kenichira in Wynad district during which Madathil Mathai, a planter, was murdered on 19 May was an important land mark in its struggle to establish "people's political power". It denied published reports that the CPI-ML worker Rajan was killed in an encounter with police during the "struggle at Kenichira" and charged the police with killing Rajan by shooting after questioning and torturing him for hours. [Text] [New Delhi PATRIOT in English 6 Jun 81 p 4]

PRICE INDEX FIGURES--The official wholesale price index for all commodities base 1970-71 jerked to yet another peak at 277 (provisional) during the week ended 23 May, reports UNI. At this level the index is up by more than 16 per cent compared to the index for the same week last year. Causing the appreciation were the hikes in the indices of food articles by 0.7 per cent (due to increase in prices of moong and its and vegetables), of non-food articles by 0.7 per cent (mainly due to increase in price of copra), of beverages, tobacco and tobacco products (caused by higher prices of country liquor), of textiles by 0.2 per cent, of basic metals, alloys and metal products by 0.2 per cent, of machinery and transport equipment by 0.3 per cent and chemicals and chemical products (marginal). [Text] [New Delhi PATRIOT in English 6 Jun 81 p 1]

SATELLITE-BALANCING MACHINE--Bangalore, June 6 (PTI)--The National Aeronautical Laboratory (NAL) and the Indian Space Research Organisation (ISRO) here have jointly developed a "vertical dynamic balancing machine" for balancing of satellites. The basic design of the machine was provided by the ISRO, while the NAL did the mechanical fabrication of the critical components and their final assembly. The NAL said the machine had a load capacity of 82,000 kg and a balancing speed ranging from 30 to 300 revolutions per minute. The machine, developed for the balancing of the APPLE, to be launched from Kourou, in French Guyana, later this month, is expected to be used for balancing future satellites, including IRS and INSAT. [Text] [New Delhi PATRIOT in English 7 Jun 81 p 5]

NEW PADDY VARIETIES--Srinagar, June 6 (UNI)--Agronomists at the Khudwani Research Centre in Anantnag district of Jammu and Kashmir have evolved two high-yielding varieties of paddy. The two varieties have the potential of raising the yield

from 32 quintals a hectare at present to nearly 80 quintals a hectare. A new variety of maize had also developed. It had a potential of yielding nearly 55 quintals a hectare as against only 10 to 20 quintals at present. [Text] [New Delhi PATRIOT in English 7 Jun 81 p 5]

SUGAR PRODUCTION STATISTICS--Sugar production during the year commencing October 80 was 50.24 lakh tonnes till 15 May, up by 12.37 lakh tonnes over the corresponding period last year, reports UNI. According to the Indian Sugar Mills Association, sugar production during the fortnight ending 15 May, was about 60,000 tonnes against 34,000 tonnes during the like period last season. The offtake of sugar from factories during this fortnight was about 2.08 lakh tonnes against 1.99 lakh tonnes last year. The total offtake till 15 May has been 28.47 lakh tonnes for internal consumption and 3,000 tonnes for exports as against 32.33 lakh tonnes for internal consumption and 2.3 lakh tonnes for export during the similar period last season. With this, the closing stocks with factories was up at 27.69 lakh tonnes on 15 May as against 24.10 lakh tonnes the like date last year. [Text] [New Delhi PATRIOT in English 7 Jun 81 p 5]

HALDIA COAST GUARD HEADQUARTERS--Calcutta, June 6--The Coast Guard district headquarters in this region will be at Haldia, district Midnapur according to a Defence Ministry source here. The commissioning of the headquarters will take place on 12 June. [Text] [New Delhi PATRIOT in English 7 Jun 81 p 5]

TAMILNADU LANGUAGE PLANS--Madras, June 6 (PTI)--The Tamilnadu Government expects to switch over from English to Tamil completely for all official records and correspondence in the next three years, Education Minister C. Aranganayagam said today. Mr Aranganayagam, who presided over a meeting at the secretariat to review the progress of Tamil as the official language for administrative work, told newsmen the switch over was 80 to 90 per cent in eleven of the 80 departments where it had been introduced. [Text] [New Delhi PATRIOT in English 7 Jun 81 p 4]

COMMANDANT OF ORDNANCE--Major General A. D. Mohoni has taken over as Colonel Commandant of the Army Ordnance Corps on relinquishment of the appointment by Lieutenant General G. L. Chopra (Retd). General Mohoni who is presently serving here as commander stores group and deputy director of ordnance services at the Army Headquarters was awarded Vishisht Seva Medal for his distinguished services in 1971. [Text] [New Delhi PATRIOT in English 8 Jun 81 p 7]

KUWAIT FUNDING REPORTED--Doha (Qatar), June 9--A multi-national company in Kuwait has signed an agreement with the Maharashtra Government to set up industries and plantations in the State, the ARAB TIMES has reported. According to the agreement signed by the Maharashtra Finance Minister, Mr. Ramrao Adik, the Kuwaiti firm will provide \$6 millions to establish the joint venture project. Mr. Adik, who headed a seven-member delegation to Kuwait to invite petrodollar investments from the Gulf States, however, did not reveal the details. The Maharashtra Minister had discussions with senior Kuwaiti officials and head of the local Chamber of Commerce.--PTI. [Text] [Madras THE HINDU in English 11 Jun 81 p 5]

ENVOY TO NIGER--Har Charan Singh Dhody, ambassador of India to Ivory Coast, has been concurrently accredited as ambassador of India to Niger with residence in Abijan. [Text] [BK151345 Delhi ISI Diplomatic Information Service in English 0848 GMT 11 Jun 81]

ROMANIAN PURCHASE--Romania is to buy 40,000 tons of iron ore concentrates from India. According to a press release issued by the Kudremukh Iron Ore Company in Bangalore the ship carrying the concentrates is scheduled to leave port on 14 June. [BK151345 Delhi Domestic Service in English 1530 GMT 13 Jun 81]

SOVIET COMPUTER AID--India and the Soviet Union are to share their experiences in the use of computers for planning. UNITED NEWS OF INDIA, quoting Deputy Chairman of the Soviet Planning Committee Prof Bachurin says the Soviet Union is introducing a new system--the automatic system of planning calculations. He said the system may be useful to India also. Prof Bachurin said planners in India as well as in the Soviet Union are faced with common tasks, and exchange of rich experience could help both the countries. [Text] [BK221627 Delhi Domestic Service in English 1530 GMT 22 Jun 81]

SOVIET ENERGY ASSISTANCE--The Soviet Union has agreed to assist India in building and developing projects to meet the challenge of the energy crisis. An Indian delegation led by Union Energy Minister Ghani Khan Chaudhury, who concluded talks with Soviet ministers in Moscow yesterday, is believed to have sought equipment and expertise for the projects India intends to develop in this field. The Soviet side expressed keenness to help. [Text] [BK190556 Delhi Domestic Service in English 0240 GMT 19 Jun 81] India will soon have its own magnetohydrodynamic generator with Soviet assistance. This was stated by the chief of the Design Bureau of the Institute of High Temperature, (Sergev Baskakov), in Moscow. He was speaking to an Indian delegation of scientific personnel which visited the Institute yesterday. The members of the delegation will familiarize themselves with research findings of Soviet scientists for magnetohydrodynamic method of energy transformation. [Text] [BK201331 Delhi General Overseas Service in English 1000 GMT 20 Jun 81]

DIESEL FROM BULGARIA--Bulgaria has offered to supply 300,000 tons of high-speed diesel to India in the current financial year. This is in addition to the 200,000 tons of diesel which India will be buying from that country this year. The offer was made by Bulgarian Ambassador in India Tocho Tochev in his meeting with Petroleum Minister P. C. Sethi in New Delhi today. He is believed to have told Sethi that Bulgaria is ready to enter into a long-term agreement for the supply of high-speed diesel to India. [Text] [BK191614 Delhi Domestic Service in English 1530 GMT 19 Jun 81]

BRITISH-INDIA CORPORATION--The Center is taking over the British India Corporation [BIC] Limited, Kanpur, through an ordinance. UNITED NEWS OF INDIA, quoting the BIC managing director, reports that the takeover puts the government in effective control of its 2 woolen mills besides its 11 subsidiary and associate companies. [Text] [BR130642 Delhi Domestic Service in English 0240 GMT 13 Jun 81]

BANGLADESH BORDER WALL--New Delhi, June 5--India will build brick walls and wire fences along parts of the border with Bangladesh in a move to curb illegal immigration, an official in the north-eastern state of Assam said on Wednesday. Assam Home Affairs Minister R. C. Saharia told a reporter at Gauhati, the state's main city, the walls and fences would be built at 'vulnerable points' on the international frontier. The state has been troubled by a student-led anti-immigrant movement since October 1979. The students are demanding the expulsion of alleged millions of aliens, mostly from Bangladesh. An estimated 250 people have died in various clashes since the movement began.--APA [Text] [Karachi BUSINESS RECORDER in English 6 Jun 81 p 3]

CSO: 4220

OIL EXPLORATION CONTRACTS SIGNED WITH U.S., SOUTH KOREAN FIRMS

Kuala Lumpur BUSINESS TIMES in English 9 May 81 p 12

[Text]

A SOUTH Korean and two American oil companies are to spend nearly US\$315 million (M\$724.5 million) over the next six years in search for oil under contracts signed yesterday with the Indonesian state-owned oil company Pertamina.

The US companies, Chevron and Texaco have formed Indonesian subsidiaries — Texaco Langsa Incorporated and Chevron Langsa Incorporated — to explore together offshore oil and gas deposits in the Langsa area of north Sumatra.

They plan to spend US\$175 million (M\$402.5 million) on exploration over the six years and will pay Pertamina a bonus of US\$71 million (M\$162.3 million) for exploration data, according to the contract.

If oil is found, production is shared 50-50 with Pertamina but profits are divided 15 per cent to the foreign company and 85 per cent to Per-

tamina under present contract arrangements.

Chevron and Texaco are the joint parent company of Caltex Pacific Indonesia which produces half of Indonesia's daily production of 1.6 million barrels from Sumatran fields.

The Korean Energy Company (Kodeco), a newcomer to Indonesian exploration, also signed a contract yesterday under which they will work offshore areas west of Madura Island, about 1,000 km (620 miles) east of Jakarta.

Kodeco agreed to spend US\$38.4 million (M\$88.32 million) on exploration in the first three years. In the next three years, they will join Pertamina in spending a further US\$25 million (M\$57.5 million).

The South Korean company also paid a US\$5 million (M\$11.8 million) bonus for exploration data.

Mr Choi Gye Wal, president-director of Kodeco, said it would

JAKARTA, May 8

help to solve "the imminent problem" South Korea faces in energy.

Indonesian Oil Minister Dr Subroto said at the signing ceremony that Indonesia's income from oil and gas exports during the last fiscal year was US\$15.7 billion (M\$36.11 million) or 71.8 per cent of total national export value.

To date, there were 48 foreign companies operating under production sharing contracts with Pertamina, three under an older "contract of work" system and 10 under the new 50-50 joint production basis.

The three foreign companies still working under the concessional "contract of work" basis are Caltex, Stanvac and Calasatic oil companies.

Negotiation is under way to change them to the production sharing contracts when the present contracts expire in 1983, Dr Subroto said. — Reuter

CSO: 4220/614

ALI SADIKIN CHARGES GOVERNMENT RESTRICTING HIS FOREIGN CONTACTS

Kuala Lumpur NEW STRAITS TIMES in English 8 May 81 p 4

[Text]

JAKARTA, Thurs. — Former Governor of Jakarta, Lt. Gen. Ali Sadikin has charged the government of President Suharto with pressuring members of the diplomatic corps to drop him from the diplomatic party list.

Sadikin, a tough governor, who helped speed up development of Jakarta in the 1970s, said the move by the government was aimed at cutting him off from any foreign contacts.

Sadikin is a member of the group of 50 senior Indonesians, consisting of retired army generals, doctors, lawyers, intellectuals and party leaders, who have been critical of the government.

Sadikin and his group have sent a petition to the Parliament questioning several policies of the government and charging it with mismanagement and abuse of power.

Following the petition early this year, all 50 members of the group, who were signatories to the petition, suffered restrictions from the government, credits withdrawn, contracts canceled and forbidden to leave the country. — AP.

CSO: 4220/614

CALM ATMOSPHERE FOR FIRST NATIONAL ELECTION

Kuala Lumpur BUSINESS TIMES in English 5 May 81 p 6

[Article by Bernard Melunsky in Phnom Penh]

[Excerpts]

KAMPUCHEAN officials said here on Saturday that almost the entire electorate of Phnom Penh voted in Friday's general elections which seemed certain to reinforce claims that the Vietnamese-backed leadership has consolidated its political power.

Although final official results are not expected until today, it appears highly likely that President Heng Samrin, Vice-President and Defence Minister Pen Sovan, the reputed strongman of the ruling Revolutionary Council, and other leaders will be re-elected to the National Assembly which will select the new government.

Officials said between 98 and 99 per cent of Phnom Penh's nearly 133,000 eligible voters had cast their ballots.

There were only 148 candidates for the 117 assembly seats and all were chosen by the official National United Front for the salvation of Kampuchea in consultation with "mass organisations" — a similar method for choosing candidates to that used in communist Vietnam.

Kampuchean sources said reports from the provinces indicated the elections had taken place peacefully.

Certainly in Phnom Penh the poll on Friday appeared to be held in an atmosphere of calm in a capital bedecked with flags, red banners and patriotic slogans.

This was Kampuchea's first national election since the overthrow of the Khmer Rouge although local and district level polls have been held for some months.

There were no reports available of any incidents and in Phnom Penh itself there were no signs of special security measures and voters seemed relaxed as they entered polling booths.

At one polling booth in a Buddhist pagoda on the outskirts of Phnom Penh sturdy children played football and handball in the temple grounds while votes were counted by electoral officials in the late afternoon.

The ballot papers in Phnom Penh had 14 names, including Heng Samrin and Pen Sovan. Voters had to cross out two names to select the 12 assembly members who will represent the capital.

Posters in booths showed all sections of the community — including monks, peasants and workers — casting their votes and one slogan read: To vote is to love the fatherland.

Foreign Minister Hun Sen in a speech to delegates attending an Afro-Asian "solidarity" conference with Kampuchea on Friday said to voters: "Their faces brightened up with hope. They put into practice their rights of being the master of their country and their destiny."

The expected over-all large national turnout of voters can be explained partly by the fact that the electoral law says voters are "obliged" to participate in the elections, even though it does not appear to be legally compulsory to vote.

Official statistics here give the number of eligible voters as 3.4 million out of a total population of 5.7 million.

The election will lead to the enforcement of a new constitution paving the way for outright leadership of the Communist Party which still keeps very much in the background at least partly because the population still remembers excesses committed by the Khmer Rouge during its three and a half year rule.

Sources here said the National Assembly would convene within 60 days. It is empowered to select a powerful council whose president will also be supreme commander

of the armed forces.

A prime candidate for the post is Mr Pen Sovan, who is also general secretary of the Communist Party.

Little is known about the 45-year-old Mr Pen Sovan but diplomatic sources in Bangkok say his pro-Vietnamese credentials appear impeccable. He speaks fluent Vietnamese and studied and lived in Hanoi, apparently for a lengthy period.

An official biography on an election poster said he was born in 1938 of a peasant family and joined the revolutionary fight against the French colonial power in 1950.

The official biography said that in 1954 he studied "abroad" and later rose to a command position in the revolutionary army, presumably at a time when the Khmer Rouge and others were fighting against the American-backed government of President Lon Nol.

The biography indicated that in 1973 he split with the Khmer Rouge and joined the "true revolution."

Diplomatic sources in Bangkok say that by the time the Khmer Rouge marched into Phnom Penh in April 1975, Pen Sovan was probably living in Hanoi. — Reuter

COMMUNIST PARTY SET TO PLAY LEADING ROLE

Kuala Lumpur BUSINESS TIMES in English 9 May 81 p 6

(Article by Bernard Melonsky in Phnom Penh)

(Text)

KAMPUCHEA'S Communist Party, which has stayed in the background since the overthrow of the Pol Pot government, is expected shortly to emerge from its obscurity when the country's Vietnamese-backed rulers announce a party congress.

Elections for a National Assembly last week are expected to be followed by moves to enforce the constitution, which firmly establishes the leading role of the party as the force directing "the revolution."

Asked at a Press conference recently when the congress would be publicly announced, Foreign Minister Hun Sen replied: "I cannot fix the date but in the near future there will be an historical event of importance to the Kampuchean people."

Highly-placed Kampuchean sources said the party congress would take place before the rainy season starts in the next few months.

The holding of a con-

gress will mark an important step along the road to transform Kampuchea, where private enterprise still thrives as the country struggles out of its former Khmer Rouge revolutionary strait-jacket into a strict Vietnamese-style communist state.

Mr Hun Sen did not reveal the names of the party leaders, but it is generally known that the secretary-general is Defense Minister Pen Sovan, the government's Han-

nah-educated strongman. Under his guidance, the party would be expected to have the full backing of Vietnam, which continues to deploy an estimated 30,000 troops in Kampuchea to combat guerrillas loyal to the ousted Khmer Rouge government of former Prime Minister Pol Pot.

The party's loyalty to the pro-Soviet Vietnamese Communist Party also seems assured.

The party has so far kept in the background, at least publicly, partly

because of the vast unpopularity of the Khmer Rouge government — the only communist party Kampuchean have so far had to live under. The Khmer Rouge have been accused by the pro-Vietnamese communists of betraying the revolution.

Election posters in Phnom Penh indicate that Mr Pen Sovan left the original party of Pol Pot in 1973 to join the "true revolution."

"Our party was destroyed terribly by Pol Pot and his regime," Education Minister Chan Van said in an interview.

He said about five of the 12 elected National Assembly members for Phnom Penh — chosen from a total of 14 officially nominated candidates — were members of the party, including himself.

But he declined to give details of the total number of members and it remains unclear how many people belong to the party or in which areas its main supporters.

Unlike Vietnam where the party played a leading role in three decades of war under the guiding hand of the late Ho Chi Minh, Kampuchea has always had problems in establishing communist parties.

Even after the Khmer Rouge seized power in 1975 and began imposing their extreme revolution, the party's existence was not publicly revealed and orders were issued by the all-pervasive "angka" (high officials).

Then in the late 1970s there was a massive and bloody purge within the Pol Pot section of the party.

While little is known about the communist's structure and organization, foreign observers say party members appear to be designated by the leadership, suggesting the party is organized from the top attracting members through the obvious advantages of belonging to the ruling party in a communist state. — Besser

GOVERNMENT APPEALS TO CITIZENS TO RESIST SRV RECRUITING

BK130626 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea
2330 GMT 12 Jun 81

["Appeal of the Democratic Kampuchean Government" -- dated 11 June; read by
announcer]

[Text] Beloved male and female youths; esteemed and beloved compatriots and
fraternal Khmer soldiers, militiamen and administrative personnel forcibly
drafted to serve the Vietnamese administration in Kampuchea:

At present, in the zone under their temporary control, the Vietnamese enemy
aggressors and exterminators are intensifying recruitment of our compatriots
on a larger scale than ever before. They are intensifying recruitment of new
troops because they are at an utter impasse on the battlefield.

During the past 2 years, particularly since 1980, our Democratic Kampuchean Army
and guerrillas intensified their attacks on the Vietnamese aggressors and
inflicted heavy casualties on them, at an average rate of 10,000 men each
month. Thus, the Vietnamese aggressors have suffered a great shortage of man-
power. Since the beginning of 1981, they have suffered a rapid headlong dive,
lost the initiative and become indecisive. They have kept shifting troops from
one place to another because they have lacked the manpower to withstand attacks
by our Democratic Kampuchean Army and guerrillas and our people. They have
recruited more troops from South Vietnam, but not sufficient to replenish their
daily and monthly losses and to rescue their headlong dive on the battlefield.

This is why at present they are forcibly recruiting our Khmer people both in
Kampuchea Kraom and in our present-day Kampuchea for use in implementing the
Khmerization of the war in coordination with the Vietnamization of the war
in order to avoid their headlong dive.

In 1979, they were in full force and had the advantage militarily over the
Democratic Kampuchean Army and guerrillas, because at that time our Democratic
Kampuchean Army and guerrillas and our nation and people faced dire difficulties.
Still they could neither implement the Khmerization of the war nor draft our

Kampuchean nationals to serve their war of aggression and genocide. At that time they were compelled to carry on the Vietnamization of the war on a full scale. In 1980, they again failed to implement the Khmerization policy. Now that our war for national and racial defense is developing more favorably to us, and the Vietnamese aggressors are suffering great shortages of manpower, facing utter impasse on the battlefield and losing the initiative, how can they recruit Khmer soldiers to implement the Khmerization policy in coordination with the Vietnamization policy?

It is necessary for the whole Kampuchean nation and people, male and female youths and the fraternal Khmer soldiers, militiamen and administrative personnel forcibly drafted into service by the Vietnamese enemy to join forces with our government of Democratic Kampuchea, the PDFGNUK, and the Democratic Kampuchean Army and guerrillas, and struggle to totally smash the maneuver of the Vietnamese enemy to recruit our compatriots to fight and die in its place. All the Kampuchean youths and compatriots in the zone under temporary control of the Vietnamese enemy must not let the Vietnamese enemy forcibly draft you into service.

1. Do not let the Vietnamese enemy capture you; you must find a way to avoid being drafted.

2. If you are drafted, you should find a way to escape or turn the guns in your hands against the Vietnamese enemy, return to your village and ask your parents, uncles, aunts and relatives to hide you. If you cannot go back to your old village, you should flee to another village or to the zone under the control of Democratic Kampuchea. Our Democratic Kampuchean Army and guerrillas, our PDFGNUK committees and our Democratic Kampuchea's village and commune committees will accord all of you the warmest welcome.

As for the compatriots who are the parents, uncles, aunts, brothers and sisters of the draftees, you should hide them and prevent the Vietnamese enemy from recruiting them. If they are drafted, you should find a way to send them elsewhere. You may help to hide them and avoid their being drafted. The Vietnamese troops stationed in villages and the commune and district committees will never know about this because they are totally isolated from the Kampuchean people. As a matter of fact, we have repeatedly kept our offspring from being drafted, because when the Vietnamese came to this village, we sent them away to another village. If you see that it is impossible to hide them, you should tell them to flee to our Democratic Kampuchean Army and guerrillas or to the Democratic Kampuchean Zone. Do not allow the Vietnamese enemy to draft them.

As for the fraternal Khmer soldiers and militiamen armed by the Vietnamese enemy in the service of its war of aggression and genocide in Kampuchea and the fraternal administration personnel installed by the Vietnamese enemy, you must have seen with your own eyes how, during the past 2 1/2 years, the Vietnamese enemy has massacred our people; how has it tried to exterminate our Kampuchean race and destroy our national traditions, customs and culture; how many millions of our people have died of hunger; and how the survivors are suffering, living in great misery, wearing only rags and looking like walking skeletons. You must have seen all of this with your own eyes.

As for you yourselves, who are drafted into service by the Vietnamese enemy, what does it win you? You remain as poor as ever, with not enough food to feed your wives and children. The Vietnamese enemy has oppressed and looked down upon you. Look at what it has done all along, how many Khmer soldiers, militiamen and administrative personnel it has arrested, detained and killed. Now that it is defeated and faces a deadlock, it turns to drafting you into the army. In such a situation, when it is in total impasse on the Kampuchean battlefield, the world condemns it more vigorously and the Vietnamese people struggle against it, what can the Vietnamese enemy do to avoid final defeat?

It is true that our people's struggle against the Vietnamese enemy aggressors, expansionists, annexationists and exterminators will face more obstacles and difficulties because the Vietnamese Le Duan enemy and its Soviet boss still have many more maneuvers to pursue in all fields--military, political and diplomatic. In particular, the more they are defeated and bogged down, the more they will kill our people. However, no matter how it tries, the Vietnamese enemy will never avoid final defeat. For this reason, the brothers and sisters should not bind your fate to that of the Vietnamese enemy. You must not follow the Vietnamese enemy's order to recruit our compatriots to fight and die in its place. On the contrary, you should help hide them and prevent their being drafted. You must also keep yourselves from being sent to fight and die in the enemy's place. You must rise up, join with our nation and people and fight the Vietnamese enemy.

1. You should find a way to return to live as ordinary citizens in your own villages, join our Democratic Kampuchean Army and guerrillas or flee to the Democratic Kampuchean Zone as other Khmer soldiers and militiamen have done before.

2. You should launch activities to sabotage the Vietnamese enemy in all possible ways, destroying roads, materiel, ammunition, ammunition depots, rice warehouses, oil depots, medical storage rooms and everything else you can destroy so as to cause more difficulties and weaken the enemy.

3. You should turn your guns against the Vietnamese enemy and flee to join our Democratic Kampuchean Army and guerrillas or to our Democratic Kampuchean Zone. Our Democratic Kampuchean Army and guerrillas, our PDPGNUK committees and Democratic Kampuchea's village and commune committees will accord you the warmest welcome in your capacity as comrades in arms jointly fighting against the Vietnamese enemy for the salvation of our Kampuchean nation and race.

On this occasion, the Government of Democratic Kampuchea wish to advise the administrative committees of our Democratic Kampuchea and the PDPGNUK committees in all localities and all cadres responsible for units of the Democratic Kampuchean Army and guerrillas to publicize this appeal in all localities in the zone under temporary control by the Vietnamese enemy in order to encourage

our people, male and female youths and the fraternal Khmer soldiers, militiamen and administrative personnel forced to serve the Vietnamese enemy to join forces with our Democratic Kampuchean Government, PDFGNUK and our Democratic Kampuchean National Army and guerrillas and fight to smash the Vietnamese maneuver to recruit our compatriots to fight and die in its place. You should protect and help our compatriots in all possible ways as we have done all along.

(Signed) Khieu Samphan, state presidium chairman and prime minister of Democratic Kampuchea and provisional chairman of the PDFGNUK

Democratic Kampuchea, 11 June 1981.

CSO: 4212/21

SOVIETS APPEAR READY TO FILL INTERNATIONAL AID VACUUM

Kuala Lumpur BUSINESS TIMES in English 7 May 81 p 6

[Article by Dennis Gray in Phnom Penh]

[Excerpts]

THE Soviet Union is laying the groundwork to reconstruct Kampuchea's shattered economy and is providing technical experts, material aid and limited military support to the Phnom Penh regime, Soviet and western sources say.

The Soviets appear more than ready to fill a vacuum left by international aid agencies, which are preparing to pull out after helping to save the country from hunger and disease over the past two years.

"Today we are beginning to think about the long term when emergency aid is over and the international agencies leave," said Soviet Embassy spokesman Vladimir M. Golovkin. "We are not preparing the base. It is the beginning."

The Soviets have between 300 and 500 aid and technical personnel in Kampuchea and this number must increase substantially if the numerous bilateral agreements already inked are implemented.

A year ago, only a handful of Soviet diplomats were seen in the capital of Phnom

Penh. Today, they occupy a large apartment complex, and several villas are being renovated to house more. Kampucheaans in the streets assume every foreigner is from the Soviet Union.

An information bulletin circulated recently by the Soviet Embassy here, spells out numerous priority and long-term projects which cover virtually every branch of economic life, as well as health, education and management. The plans include building or restoring factories, power stations, hospitals, grain silos, colleges, and vocational schools, roads and bridges.

The Soviet Union says it provided about US\$250 million of emergency aid during 1979 and 1980.

While the Soviet Union appears eager to publicise its economic assistance, there is little information available here about military aid.

Reliable western sources in Bangkok, however, confirm that Soviet vessels have brought weapons and ammunition to the seaport of Kompong Som and that Soviet pilots have been flying giant AN12 aircraft on re-supply missions from Vietnamese

air fields to the north-western provincial capital of Siem Reap.

The Vietnamese army and that of the Phnom Penh government is concentrated in north-western Kampuchea where they are fighting the remnants of the Chinese-backed Pol Pot regime. Pol Pot was toppled by Vietnamese forces in January 1979.

The Phnom Penh government says that a number of Kampucheaans have been sent to the Soviet Union to be trained as pilots. Other military personnel are also believed to be receiving training, but this is clearly minimal in comparison to Vietnam's role in shaping the Phnom Penh armed forces.

Phnom Penh propaganda takes a staunchly pro-Soviet line although some officials — with little knowledge about the Soviet Union — sound rather quaint when discussing the topic. "The people in Moscow don't eat so well because 300 million Russians have sacrificed so much for revolution around the world," says one Foreign Ministry man.

Some western analysts speculate that

name does not favour a strong, independent Soviet presence in Kampuchea, but would prefer to have Soviet help "filtered" through the Vietnamese.

The Soviet Embassy here denies any problem. However, unofficial Kampuchean sources claim the relationship is not comfortable. One story making the rounds in Phnom Penh is that the Soviets had initially insisted on flying seven aircraft provided to the Kampucheaans and backed down only after a row with the Vietnamese.

The Soviets do not appear to be especially popular with the average Kampuchean, at least in Phnom Penh, although there is every evidence that they behave correctly and played a major role in warding off the human crises which swept the country after Pol Pot's fall.

One western relief official noted: "Perhaps it's a difference of personality. The Kampucheaans are warm, giving. The Russians tend to be cold and aloof."

The children of Phnom Penh have taken to calling "Rusie, Rusie" at all passing foreigners. — AP

FEAR OF KHMER ROUGE OUTWEIGHS DISTRUST OF VIETNAMESE

Kuala Lumpur b "NEWS TIMES in English 4 May 81 p 6

[Article by Denis D. Gray in Phnom Penh]

[Excerpts]

THE Vietnamese-backed government here shows no signs of responding to calls by the non-communist world for a "compromise solution" in Cambodia, but appears concerned that ex-Cambodian leader Prince Norodom Sihanouk might lead a united front to challenge the regime.

"Even if enemies attack us from a thousand sides, we will follow the road we have already chosen," Foreign Minister Hun Sen stressed in an interview. This road is taking Cambodia towards a pro-Soviet, Marxist-Leninist society and allows for the indefinite presence of Vietnamese troops.

Mr Hun Sen said in a recent interview with the *Associated Press* that a united front would not work since its key participants could never bury old hatreds and cooperate.

Indeed, the united front idea has not progressed very far. Prince Sihanouk denounces his would-be partners — the guerrillas of the ousted Khmer Rouge regime — as "butchers," and a third party — the anti-communist resistance of ex-

Cambodian Prime Minister Son Sann — is deeply suspicious of both the Prince and the Khmer Rouge.

Nonetheless, the Phnom Penh regime has recently stepped up its anti-Sihanouk propaganda in what appears to be a tacit admission that the charismatic exiled Prince still commands support among Cambodians.

At political courses and public meetings, people are told that Prince Sihanouk is China's pawn and that he "rested in a villa while three million of his fellow Cambodians died at the hands of the Khmer Rouge."

Although the Phnom Penh regime appears to have some worries about its external foes and desires greater international recognition, Mr Hun Sen and other officials say that the highest priority is internal political strengthening.

The educators have a difficult job. They must make Cambodians enthusiastic about communism and about their traditional enemies, the Vietnamese.

"They will never change the minds of any-

body but children," said one ministry employee in a private conversation. "History is very fresh in people's minds. Once the Vietnamese took most of our country. We must never forget that."

The depth of distrust of the Vietnamese becomes even more apparent when such statements are followed by words of thanks that Hanoi's troops saved Cambodia from the horrors of the Khmer Rouge and frank admissions that they are conducting themselves properly in Cambodia.

Western diplomatic analysts in Bangkok note that the presence of Vietnamese forces and civilian advisers both prop up the Phnom Penh regime and becomes its Achilles heel. The rallying cry of all anti-Phnom Penh forces is that the current leadership has sold out to Cambodia's traditional foes.

Under different circumstances, the Phnom Penh government might prove an easy target. But it possesses certain advantages besides the 300,000 Vietnamese troops stationed in the country.

Chief among them

seems to be the weakness of the forces currently ranged against it.

There is every evidence that the fear of the Khmer Rouge still outweighs distrust of the Vietnamese and it is unlikely that many Cambodians would vote for a Vietnamese troop withdrawal as long as the Khmer Rouge guerrillas remain a threat.

The various anti-communist resistance groups, including Mr Son Sann's, clearly would have greater appeal than the Khmer Rouge but they are military midgets and have been plagued by warlord-style rivalries.

Prince Sihanouk himself is tainted.

The Prince probably still has substantial support among Cambodia's rural people who remember the Sihanouk era of the 1950s and 1960s as one of peace and relative prosperity.

But educated, urban Cambodians — even those who oppose the current regime — have not forgotten that Prince Sihanouk helped destroy Cambodia by siding with the Khmer Rouge during the 1970-75 war.

SECURITY SITUATION GRADUALLY DETERIORATING

Kuala Lumpur BUSINESS TIMES in English 2 May 81 p 6

[Article by Marcel Barang]

[Excerpts]

MORE than two years after assuming power, the pro-Vietnamese Heng Samrin regime in Kampuchea has gone beyond the stage of mere survival. Normalisation of political life and reconstruction of the economy seem to be paralleled by increasing controls over population movements and a gradual deterioration of the general security situation, despite the presence in the country of up to 200,000 Vietnamese troops.

This is the picture of Kampuchea today that emerges from reports from a variety of sources - recent visitors, representatives of international agencies in Phnom Penh, or observers on the Thai-Kampuchean border - few of whom are unsympathetic to the new communist administration.

Officials in Phnom Penh now acknowledge it will be another two or three years before the country can be self-sufficient in food. The expected rice deficit this year will be about a quarter million tons, officials say, despite a jump in production from 400,000 ton in 1979 to 750,000 tons last year, and a targeted 850,000 tons this year. Part of the rice deficit should be covered by other crops, but an FAO mission to Kampuchea early

this year assessed that the international community should import at least 100,000 tons of cereals to avoid possible recurrence of widespread famine.

Heng Samrin officials as well as international aid officers in Phnom Penh are reported to be "extremely worried" that impending cuts in aid would cancel out previous improvements in the food and health situation.

An immediate area of concern is a spreading cattle epidemic which also affects fowls and pigs. The disease could be checked within two years through nation wide annual vaccinations, which have not been held since 1975. Estimated cost: US\$4.5 million, according to the FAO mission.

In provincial towns as well as in the capital, public address systems blare out political speeches, slogans and revolutionary songs while the "political education of citizens" is being intensified through more frequent meetings and study sessions on the work-sites. This is in tune with the holding of elections, which started in mid-February at sub-district level, and will culminate at national level probably in April or May. Regional elections were completed in early March.

Voters choose from a list of candidates drawn up after consultations with people's organisations. More often than not, the candidates are leaders of activists of the said organisations already responsible for running affairs at local level. The national assembly which will eventually emerge from this process will adopt the Constitution, the third draft of which was finally presented to the people on March 13 for it to make "comments and suggestions." This draft, written in plain language, spells out the citizens' rights to property, to inheritance, to remuneration according to the quantity and quality of work done, and it stresses there will be no discrimination on the basis of sex, religious belief or race.

It defines three economic divisions - state economy, cooperative economy (khrom samakhi) and family economy, giving scope to free enterprise - and notes that participation in cooperatives is voluntary. According to the draft constitution, the elected National Assembly will be the "supreme organ of power." The most powerful figure in the country will be the President of the Council of State, the legislative body's permanent structure, while

the Council of Ministers will be responsible for day-to-day government and accountable to both the National Assembly and the Council of State.

Whether the elections and the new institutions will be enough to legitimise a government born of an invasion and broaden its popular base remains to be seen. What is immediate, however, is that the security situation in the whole country has been gradually deteriorating, judging by Heng Samrin officials' own admissions. The Khmer Rouge have been able to make their presence felt in more than half of the country with some heavy fighting reported in several parts of the country.

Since the beginning of this year, travel restrictions on foreigners have increased. Authorities justify them by the presence of "bandits," "insecure" or "dangerous roads." It is notably the case of the Kompong-Thom-Siem Reap road and the vital link between Phnom Penh and the deep-sea port of Kompong Som which has been the theatre of at least two recorded ambushes (one in December when two passengers of a Soviet bus were killed and several others wounded, another on Feb. 9, which left four killed).

BRIEFS

AGRICULTURAL ECONOMICS COURSE--The Ministry of Agriculture organized a ceremony to close the second agricultural technical course on 20 June at the Chamka Dong Institute of Agricultural Technical Training. Presiding was Comrade Men Chhan, minister of agriculture. One hundred seventy two agricultural cadres from different directorates of economic administration of various provincial and district-level agricultural offices attended courses on administering the agricultural economic policy. Comrade Men Chhan, minister of agriculture, highly praised the achievements of this training course. After giving a briefing on agricultural conditions, which were well developed last year, the comrade minister urged all trainees to work hard in administering and conducting agricultural movements in all fields, including improving the people's living standards, practicing thrift, expanding draft power and increasing the number of agricultural tools in order to improve the agricultural situation. He urged all trainees always to raise their vigilant revolutionary spirit against all kinds of the enemy maneuvers, which aim at obstructing our agricultural development policy. In conclusion he requested to all trainees to implement the resolutions of the Fourth KPRP Congress, especially the plan to expand cropland to 1.7 million ha this year. A representative of the trainees expressed his thanks to the KPRP for its support and assistance to the Kampuchean people as well as to all trainees who attended courses on administering the agricultural economy policy. In order to repay these great good deeds, the representative of the trainees pledged always to follow the policy of the party and apply their knowledge in achieving this plan. This ceremony successfully ended in a joyful atmosphere of warm solidarity. [Text] [BK250728 Phnom Penh Domestic Service in Cambodian 1230 GMT 23 Jun 81]

KANDAL STUDY-WORK COURSE--On 6 June the first study-and-work course for 239 trainees from different offices in Kandal Province was closed at the movie house of Takhmau town. Present on that occasion were (Chhim Seng), member of the provincial party committee and chairman of the provincial organization commission; and (Kav Saphan), member of the provincial party committee and chairman of the provincial propaganda and education committee. (Chhim Seng) and (Kav Saphan) spoke on the successes of the Fourth KPRP Congress and its resolutions. A representative of the trainees stated that his colleagues and himself were determined to use their knowledge to fulfill the revolutionary duties, to strengthen national unity and international solidarity and to accomplish successfully all resolutions of the Fourth KPRP Congress. [BK131305 Phnom Penh Domestic Service in Cambodian 1100 GMT 9 Jun 81 BK]

VIETNAMESE SPORT DELEGATION--Phnom Penh, 20 Jun (SPK)--The SRV sport delegation left Phnom Penh on Thursday [18 June] concluding its 8-day visit to Kampuchea. It was seen off at Pochentong Airport by some officials of the Ministry of the Press, Information and Culture, and by counselor Nguyen Van Dieu of the Vietnamese Embassy in Kampuchea. During its stay in Kampuchea, the delegation visited the ancient royal palace, the National Museum, the fine arts school, Phnom Penh University, Orphanage No 2 and Tuol Sleng School-Prison. An agreement of cooperation in the field of sports was signed during the visit. [BK241331 Phnom Penh SPK in French 1432 GMT 20 Jun 81 BK]

AGRICULTURE MINISTRY TECHNICAL COURSE--Phnom Penh, 22 Jun (SPK)--A technical course for 172 persons was concluded on Saturday [20 June] in Phnom Penh by the Ministry of Agriculture in the presence of Minister Men Chhan and other personalities. Men Chhan urged the students to combine their learning with practical work and emphasized the need to expand the cultivated area. [Phnom Penh SPK in French 0400 GMT 22 Jun 81 BK]

MPRP OFFICIAL CONGRATULATED--Phnom Penh, 21 Jun (SPK)--Pen Sovan, general secretary of the KPRP Central Committee, has sent his congratulations to Yunjangiyn Tsedenbal on the occasion of his reelection to the post of first secretary of the MPRP. In his message, Pen Sovan, in the name of all the Kampuchean people, expressed his conviction that "under the clear-sighted leadership of the MPRP, the fraternal Mongolian people will score even greater successes in fulfilling the tasks laid down by the 18th MPRP Congress to build a prosperous socialist society in Mongolia and in their just struggle against the Chinese expansionists, the U.S. imperialists and other reactionaries and for the defense of national independence." Pen Sovan sincerely thanked the MPRP, the government and the fraternal people of Mongolia for their precious assistance to and support for the Kampuchean people. He expressed his hope that the fraternal relations of friendship, solidarity and cooperation between the two countries will be further consolidated and broadened with each passing day. [Text] [BJ211052 Phnom Penh SPK in French 1452 GMT 21 Jun 81]

ARMED FORCES ACTIVITIES--Phnom Penh, 21 Jun (SPK)--Kampuchean combatants in Battambang have made efforts to enhance their combativeness, to strike back strongly at their enemies and to fulfill the tasks entrusted to them by the party, reports Nauv Sam, deputy commander of the Battambang Provincial Armed Forces. The local armed forces units have matured quickly during the struggle against the reactionaries, Nauv Sam pointed out. During the first months of 1981, the local combatants put 130 Pol Pot troops out of action and captured 141 others, while 399 rallied to the revolutionary administration. Through persevering efforts, army propaganda teams persuaded 120 Pol Pot troops to give themselves up, bringing 42 rifles along with them. Armed forces units stationed on the border operated in close coordination to counter enemy infiltration, notably in Angrek and Kaun Kriel, Samrong District, and in Varin District, where 179 Pol Pot troops recently rallied to the government's side. In Chikreng District, 23 Pol Pot troops were killed, 4 others captured and 5 rifles seized. The local combatants also helped the people in building schools, houses and infirmaries and repaired three damaged bridges in Sautr Nikum District. In Thmar Puok District, 188 youths recently joined the armed forces. [Text] [BK221140 Phnom Penh SPK in French 0401 GMT 21 Jun 81]

MAY BATTLEFIELD STATISTICS--In May, our comrades in arms on the Choam Khsan-bak Anlung-Oddar Meanchey battlefield killed 423 Vietnamese enemy troops and wounded 412 others--a total of 835. They destroyed an M-30, 2 B-40's, 2 M-79's, 8 AK's 5 AR-15's, 10 other assorted weapons, a mine laying device, 5 trucks, 29 military barracks, a trench, a 6-meter-long bridge and a quantity of war materiel. They seized 2 AK's, an M-72, 150 AK rounds, 17 M-79 grenades, 30 mines, 350 meters of telephone cable and a quantity of documents and materiel. Compared with the 500-enemy-loss-a-month-plan, our comrades in arms carried it out 167 percent, overfulfilling the plan by 67 percent. Concerning the production of primitive weapons, our comrades in arms made and planted 414,000 new punji stakes, dug 400 punji pitfalls and set 380 automatic bows. [Excerpt] [BK150236 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Jun 81]

CHHEP-THALABARIYAT BATTLES--In May our comrades in arms on the Chhep-Thalabariyat battlefield killed 444 Vietnamese aggressors and wounded 517 others. We destroyed 5 trucks, 2 B-40's, an AK, a C-25 field radio, 15 military barracks, 45 trenches, a bridge, an ammunition depot and a quantity of military materiel. We seized 14 Soviet-made B-7 landmines, 700 meters of telephone cable and a quantity of other materiel. We also liberated and occupied a regiment-sized independent position and destroyed another regiment-sized independent position and a battalion-sized independent position. Concerning the production of primitive weapons, we made and planted 300,000 new punji stakes, dug 100 punji pitfalls and 100 new automatic bows. [Excerpt] [BK170920 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Jun 81]

VARIN DISTRICT AGRICULTURE--After being liberated from the fascist and brutal control of the Vietnamese aggressors, our people in Varin District, Siem Reap Province, have rebuilt their hometown with the cooperation and encouragement of our army, guerrillas, the local PDFGNUK committee and various committees of the Democratic Kampuchean Government. At the beginning of this rainy season our people in this district started to grow rice using supplies of agricultural tools and seeds provided by the PDFGNUK committee and different committees of the Democratic Kampuchean Government. At this stage our people do not have enough cattle or agricultural tools, as they were looted or destroyed by the Vietnamese aggressors. But, thanks to the cooperations and strong encouragement of the Democratic Kampuchean Government and their sense of mutual assistance, they have launched an active campaign of agricultural production everywhere in the district. [Text] [BK180834 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Jun 81]

GUERRILLAS ATTACK PHNOM PENH--On 29 May our army and guerrillas attacked Vietnamese troops at the former Phsa Depo market in Phnom Penh, killing two of them. Long live our valiant guerrillas and people of Phnom Penh! [Text] [BK180840 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Jun 81]

PRK, BULGARIA FRIENDSHIP TREATY--Phnom Penh, 20 Jun (SPK)--Instruments of ratification of the friendship and cooperation treaty and the consular agreement between the PRK and the People's Republic of Bulgaria were exchanged in Phnom Penh on Friday, 19 June. Hun Sen, Kampuchean foreign minister, and Simeon Dimitrov, Bulgarian ambassador extraordinary and plenipotentiary to Kampuchea, signed the minutes. [Text] [BK210851 Phnom Penh SPK in French 1442 GMT 20 Jun 81]

KPRAF CONTRIBUTIONS--Phnom Penh, 19 Jun (SPK)--An exhibition was opened this morning in Phnom Penh under the patronage of the Kampuchean Defense Ministry to mark the 30 anniversary of the Kampuchean People's Revolutionary Armed Forces (KPRAF). Attending the opening ceremony were Pen Sovan, general secretary of the KPRP Central Committee and defense minister; Heng Samrin, member of the Central Committee Political Bureau and president of the KNUFNS and the KPRC; Say Phuthang, Political Bureau member and chairman of the Central Organization Committee; Chea Sim, Political Bureau member and interior minister, and Bou Thang, Political Bureau member and chairman of the Central Commission for Propaganda and Education. The exhibited materials and photos depict various stages of the heroic struggle of the Kampuchean people and their revolutionary armed forces in the past 30 years during which Kampuchea remained closely united with Vietnam and Laos and received aid and assistance from the USSR and other fraternal socialist countries. The exhibition also reflects the armed forces' efforts in national defense since liberation as well as their participation in the country's economic, social and cultural restoration and development. Members of the diplomatic corps in Phnom Penh were also present at the opening ceremony. [Text] [BK191307 Phnom Penh SPK in French 0455 GMT 19 Jun 81]

PRK, SRV SPORTS AGREEMENT--Phnom Penh 19 Jun (SPK)--An agreement on cooperation between Kampuchea and Vietnam in the field of sports for 1981-1982 was signed Wednesday in Phnom Penh by Keo Chanda, minister of press, information and culture, and Ta Quang Chien, assistant general director of the General Department of Sports and Physical Education of Vietnam. The agreement provides among other things for the exchange of sports-related experiences and delegations between the two countries in order to strengthen their friendship. [Text] [BK191346 Phnom Penh SPK in French 0442 GMT 19 Jun 81]

CENTRAL REGION BATTLES--Last May our comrades in arms on the Central Region battlefield killed 411 Vietnamese aggressors and wounded 391 others. Among the killed were a senior lieutenant-grade company commander and a platoon commander. We destroyed 3 trucks, 3 motorboats, 6 boats, a pistol, a 80-mm mortar, a 60-mm mortar, a 12.7-mm machinegun, an M-79, 20 AK's, 3 crates of 60-mm mortar shells, 4 crates of AK ammunition, 2 C-25 field radios, a military barrack and a quantity of materiel. We seized a B-40, 8 AK's, 2 AR-15's, a carbine, 10 handgrenades, 4 B-40 rockets, 6 M-79 grenades, 100 rounds of AK ammunition, 13 magazines, 2 cartridge pouches and 700 meters of telephone cable. Our comrades in arms smashed two battalion-sized and two company-sized Vietnamese operations. Concerning the production of primitive weapons, we made and planted 700,000 new punji stakes, dug 300 punji pitfalls and produced 200 new automatic bows. [Excerpt] [BK180838 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Jun 81]

PEN SOVAN GREETED--Phnom Penh, 22 Jun (SPK)--On the occasion of Pen Sovan's election as KPRP general secretary, Ali Nasir Muhammad, general secretary of the Yemeni Socialist Party Central Committee, recently sent a greetings message to Pen Sovan. The message said among other things: We are convinced that under the correct leadership of your party, the Kampuchean people will certainly win a victory in the implementation of enormous and sacred tasks assigned by the fourth congress and will foil all of the perfidious maneuvers of the imperialists and reactionaries against your country. [Text] [BK230532 Phnom Penh SPK in French 1431 GMT 22 Jun 81]

PAILIN BATTLE STATISTICS--In May, our comrades in arms on the Route 10-Pailin battlefield, Battambang Province, killed 293 Vietnamese aggressors and wounded 293 others--a total of 586. We destroyed 4 vehicles, a 12.7-mm gun, an M-79, 34 AK's, 34 military barracks, 55 trenches and a quantity of other war materiel. We seized 11 A-2 landmines, 200 meters of telephone wire and a quantity of other materiel. In the production of primitive weapons, we made and planted 881,000 new spikes, dug 500 punji pitfalls and set 350 automatic bows. [Excerpt] [BK120821 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Jun 81]

MILITARY TRAIN AMBUSHED--On 26 May our army and guerrillas ambushed a Vietnamese train carrying military materiel along the railroad near Phum Angkrong, Kompong Trach District, Kampot Province. They fired at and destroyed a train car. Six Vietnamese troops were killed and seven others were wounded. Long live our valiant and courageous army, guerrillas and people in Kompong Trach District of Kampot Province! [Text] [BK110820 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Jun 81]

SISOPHON NORTH BATTLES--In May, our comrades in arms on the Sisophon north of Route 5 battlefield--which includes Thmar Puok, Phnum Srok and Preah Net Preah, Battambang Province--killed 231 Vietnamese aggressors and wounded 256 others, for a total of 487. We destroyed three 10-wheel trucks, a 12.7-mm gun, two trenches and a quantity of other war materiel. We seized 4,900 rounds of AK ammunition, 3 handgrenades and 100 meters of telephone wire. We also razed a platoon-sized independent position and routed a battalion-sized interdiction unit. Concerning the production of primitive weapons, we made and planted 125,000 new spikes, dug 320 punji pitfalls and set 340 automatic bows. [Excerpt] [BK140314 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jun 81]

SISOPHON BATTLEFIELD--In May our comrades in arms on the Sisophon battlefield south of Route 5 which includes Mongkolborei and Bavel districts, Battambang Province, killed 288 Vietnamese enemy troops, wounded 360 others, destroyed 2 10-wheel trucks, a motorcycle, 4 RPD's, 7 B-40's, 13 AK's, 15 military barracks, 9 trenches and some war materiel, and seized 23 AK's, 5 B-40 rockets and 200 meters of telephone cable. They also produced and planted 114,000 new punji stakes, dug 250 new punji pitfalls and set 220 new automatic bows. Moreover, they destroyed four independent enemy positions--a company-seized position and three platoon-sized positions. [Excerpt] [BK130930 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 12 Jun 81]

TB ERADICATION COURSE--On 6 June at the meeting hall of a secondary school a tuberculosis eradication course for 36 trainees from municipal and provincial sanitation services was closed in the presence of Comrade Yit Kim Seng, vice minister of health. Also present on that occasion were cadres, officials of the Public Health Ministry and of World Health Organization and Vietnamese specialists. Comrade Bun Chan Bun Som, committee chairman of the Tuberculosis Eradication Institute, reported on the activities and aims of the 6-week training course. Comrade Yit Kim Seng, vice minister of health, gave a speech in which he indicated the conditions of tuberculosis which was spread during the Pol Pot-Leng Sary-Khieu Samphan regime due to lack of medical treatment and hardships. [Phnom Penh Domestic Service in Cambodian 1100 GMT 9 Jun 81 BK]

SIEM REAP ARMED FORCES--The Siem Reap provincial armed forces are very proud of the success achieved by the Fourth Party Congress, and are determined to implement its resolution. "During the first quarter of 1981, all military units, combatants and guerrillas scored great achievements. They frustrated all the enemy maneuvers, and smashed their infiltrations aimed at causing trouble to the people and obstructing the reconstruction of the country. They killed 130 rebels, seized 64 weapons and captured 151 others while 350 surrendered during 350 combat actions, excluding 72 sweep operations at the beginning of January and the end of April. "As a result of the people's persuasive work, 120 elements surrendered to the power bringing with them 42 weapons." [Summary] [BK210921 Phnom Penh Domestic Service in Cambodian 0400 GMT 20 Jun 81]

WESTERN REGION BATTLES--Last May, our comrades in arms on the western region battlefield killed 102 Vietnamese aggressors and wounded 120 others--a total of 222 casualties. They destroyed two pistols, an AK, a 10-wheel truck and a quantity of military materiel. They also seized a quantity of materiel. Concerning the production of primitive weapons, our comrades in arms produced and planted 155,000 punji stakes, dug 309 new punji pitfalls and set 280 new automatic bows. [Excerpt] [BK240807 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 23 Jun 81]

PRK, CUBAN OFFICIALS AT CEREMONY--Phnom Penh, 23 Jun (SPK)--A village located about 30 km south of Phnom Penh has been named "Kampuchea-Cuban Friendship Village" during a ceremony attended by Agriculture Minister Min Khin [name and title as received, bureau records list him as head of the KNUFNS president's office]. Also present were Preach Sun, Kampuchean ambassador to Cuba; Hector Gallo, Cuban ambassador to Kampuchea, and other officials. The village, originally called Kbal Ses, is inhabited by 92 households. Illiteracy among the local people has been almost completely eliminated. Necessary medical care is now available to the sick. The village has planted 50 hectares of rice. On this occasion, Hector Gallo highly appreciated the great efforts made by the Kampuchean people in struggling for independence and happiness, in defending the people's power and in restoring and building their country, especially this model village, a symbol of solidarity between the Kampuchean and Cuban peoples. Lim Thy, vice chairman of the Kandal Provincial People's Revolutionary Committee, expressed his gratitude to the Cuban people for their assistance to the Kampuchean people and highly appreciated the heroism displayed by the former in their struggle against U.S.-led imperialists. [Text] [BK241004 Phnom Penh SPK in French 1430 GMT 23 Jun 81]

SPORTS MATCH--Phnom Penh, 22 Jun (SPK)--In celebrating the 30th anniversary of the Kampuchean People's Revolutionary Armed Forces, volleyball matches were organized in the afternoon of Sunday (21 June). Hun Sen, member of the KPRP Central Committee Political Bureau, Sin Son, vice minister of interior, and other officials watched these matches. [Text] [BK230529 Phnom Penh SPK in French 1436 GMT 22 Jun 81]

CSO: 4212/22

BRIEFS

ARMY OFFICERS SCHOOL--On the afternoon of 16 May, the LPLA advanced and intermediate officers school was officially opened. Attending ceremony were Maj Gen Siphon Phalikhan, member of the party Central Military Commission and vice minister of national defense; Brig Gen (Chi Thoumlama), deputy director of the Army Political Department and the military affairs training office, and representatives of various offices concerned. Maj Gen Siphon Phalikhan delivered a speech stressing the significance of training courses at the school. [Vientiane Domestic Service in Lao 0400 GMT 27 May 81 BK]

GIFTS OF VIETNAMESE PROVINCE--Vientiane, 28 May (KPL)--The educational service of Vietnam Ha Son Binh Province, on May 22, presented educational aids to Luang Prabang Province in accordance with the educational agreement signed between the two sister provinces. The presenting ceremony was attended by officials of the educational services of the two provinces. The gifts composed with laboratory experiment equipment. [Text] [BK281331 Vientiane KPL in English 0919 GMT 28 May 81 BK]

CSO: 4220/325

DEVELOPMENT OF BORDER AREAS TO COUNTER COMMUNIST THREAT

Kuala Lumpur NEW SUNDAY TIMES in English 10 May 81 p 7

[Text]

KUANTAN, Sat. — The Governments of Pahang and Negri Sembilan agreed today on a joint comprehensive development programme for areas near their common border, in a move to counter the threat posed by communist terrorists.

Areas marked for development are Triang in Pahang and Titi, Cenabol and Triang Hilir in Negri Sembilan, where the authorities discovered connections between illegal settlements and the communists.

It was found that illegal settlers in both States provided food to the

terrorists and moves to resettle these people would be continued.

Problems posed by unlicensed roadside hawkers in Kemayan and along roads leading to Pahang were also being studied.

These were among the decisions made today at the joint meeting of the security councils of both States. Pahang Menteri Besar Haji Rahim Bakar and his Negri Sembilan counterpart, Datuk Rais Yatim, held a press conference after the meeting.

Under the joint controlled-growth areas concept, the main aim is to deny the communists supplies.

More infrastructure facilities such as roads and public amenities would be provided to enhance mobility.

Both councils also agreed to meet again in August to study the progress achieved.

At the next meeting the district officers of Bentong, Temerloh, Jelutong and Bahau will be asked for recommendations on the joint development programme.

Dumps

Haji Rahim said the authorities had found there were always connections between communists and illegal settlers.

Food dumps were found in these illegal settlements. One such settlement occupied an area of about 12,000 acres.

Datuk Rais said the authorities also found that terrorists preferred to move into neglected or less developed areas.

He stressed that both States were taking a serious view of problems resulting from illegal settlements and would go all out to eradicate them.

CSO: 4220/616

ENERGY COMMITTEE ESTABLISHED AT CABINET LEVEL

Kuala Lumpur BUSINESS TIMES in English 1 May 81 p 1

(Text)

THE Cabinet has set up a committee on energy which has been entrusted, among other things, with the task of formulating a national energy policy.

The government's growing concern over energy is reflected with the establishment of the Cabinet committee. It is also aimed at achieving a more coordinated approach in energy planning.

The committee directly responsible to the Prime Minister will be assisted by an official level committee. The latter, known as the implementation and coordination committee on energy, includes members from all ministries and agencies related to the energy sector.

Business Times understands that the terms of reference of the Cabinet committee include reviewing the existing sources of energy to assess their potential for meeting the country's growing requirements. It will also study the possibility of obtaining energy from sources other than those existing on a short, medium and long-term basis.

The Cabinet committee will study and evaluate existing policies related to energy. Its aim will be to formulate a national energy policy on-

responding to the national development objectives, socio-economic and environmental requirements.

The official level committee has been entrusted with the task of coordinating and monitoring the implementation of plans and projects approved by the Cabinet committee.

In addition, the second tier committee would propose plans and projects related to energy in line with the national energy policy for the approval of the Cabinet committee.

There is no separate department or agency dealing solely with energy matters at the moment. Decision-making on energy matters, it is understood, is widely dispersed in the government.

Policy matters and power generation lie within the portfolio of the Ministry of Energy, Telecommunications and Posts. However, many aspects of the way in which energy is used are the concern of other government departments.

In addition, the pricing of petroleum products is determined by the Ministry of Trade and Industry. The development and promotion of the petroleum industry is handled by Petronas under the supervision of the Pe-

roleum Development Unit in the Prime Minister's Department, while research and the promotion of nuclear and solar energy comes under the purview of the Ministry of Science, Technology and Environment.

While Malaysia is fortunate in being endowed with several energy resources such as hydro and petroleum, the lessons of the last decade have impressed on the planners the need to reduce dependence on energy imports and accord priority to the development of indigenous energy sources.

While Malaysia is a producer of oil, its oil reserves are not substantial. It is therefore likely that the country will become a net importer in six to seven years.

In view of this, the planners see the need to strike a balance between taking advantage of the current high oil prices and the need to conserve the depleting resource. This has resulted in the drawing up of a national petroleum policy.

Malaysia's five-point petroleum policy was so devised as to continue to generate funds for the economic development of the country to help achieve the planned economic targets.

The policy prescribes that petroleum resources should be put to good use. The first priority is to serve national needs by making available adequate supplies at reasonable prices for domestic consumption.

The other policies are:

- To enhance the favourable investment climate of the country by opening up new opportunities for the establishment of petrochemical industries both for the domestic and export market;

- Take advantage of the option of increasing revenue and export earnings by the export of oil and gas to overseas markets;

- To ensure that Malaysians are adequately represented in terms of ownership, management and control in all phases of petroleum operations, ranging from exploration at one end to marketing and distribution at both local and international levels at the other, and

- To find a socially and economically optimal pace of exploitation of the nation's endowment of exhaustible oil and gas resources, taking into account the need for conservation of these depletable assets and the protection of the environment.

ROMANIAN INTEREST IN HYDROELECTRIC PROJECTS

Kuala Lumpur NEW STRAITS TIMES in English 8 May 81 p 20

[Text]

KUALA LUMPUR, Thurs. — Rumania has expressed an interest in participating in the development of Malaysia's hydro-electric

projects.

A visiting Rumanian delegation led by the vice-president of the Rumanian Parliament, Mr. Iosif Sana, said this during discussions with Datuk Seri Dr. Mahathir Mohamad when they called on him here yesterday.

They were told that they would have to make bids in competition with others.

Speaking to newsmen after the hour-long meeting, Datuk Seri Dr. Mahathir said that Rumania, which was buying a lot of rubber from Malaysia, also wanted to increase its exports to Malaysia.

Trade between the two countries is currently in Malaysia's favour. Last year, Malaysian imports from Rumania totalled \$24 million while exports to the East European country amounted to \$10.9 million.

Datuk Seri Dr. Mahathir said he told the Rumanians that the Government did not take part in ordering the goods.

He, therefore, suggested that Rumania should take steps to do a lot advertising in order to promote their goods here.

The Deputy Prime Minister also said that he had received an invitation to visit Rumania.

CSO: 4220/616

INSTALLED GENERATING CAPACITY TO DOUBLE IN 5 YEARS

Kuala Lumpur BUSINESS TIMES in English 15 May 81 p 20

(Text)

THE master plan report on energy resources in Sarawak, which are expected to be a major source of power for the country, has just been completed. It will be submitted to the Cabinet next month.

The Minister of Energy, Telecommunications and Post, Datuk Leo Moggi, said the report, based on feasibility studies by German consultants, was important as energy planning for the whole country had to take into account the enormous potential of the state's water power resources.

The major hydro project there would be a 1,000 Mw power plant at the Pelagus rapids but planners may develop the Balui river as part of the project. Situated up river from the Pelagus, Balui has a far greater generating potential of 1,500 Mw, according to current assessments.

The project includes building a submarine cable to transmit the electricity generated from the proposed plant across a 300 mile stretch of the South China Sea to Peninsular Malaysia

where the bulk of the country's power demand lies.

The minister was visiting the Tuanku Jaafar power station, located on the beach about a mile from Port Dickson, where he was briefed on the station's operations.

Currently Malaysia's largest power station with an installed capacity of 600 Mw, it supplies about a third of Peninsular Malaysia's power requirements. The bulk of power generated is despatched to the Klang Valley.

Consisting of three 120 Mw and four 90 Mw units as well as a 30 Mw gas turbine unit (for standby purposes) the Tuanku Jaafar installation consumes about 2,000 tonnes of fuel oil a day (in addition to 10,000 gallons of water).

However it will be superseded by the 2,400 Mw plant which the National Electricity Board is building at Port Klang. The first 600 Mw unit is expected to be commissioned by the end of 1984. When completed by the 1980s, Port Klang will also be Malaysia's first dual-fired plant, capable

of using both gas and oil as fuel.

At present, the NEB's largest plant after Port Dickson is the 480 Mw Prai station which was brought into full operation early last month. The Prai plant accounts for a fifth of the total installed generating capacity.

The full commissioning of Prai in fact enabled unit Seven (120 Mw) at Tuanku Jaafar to be shut down for a three month overhaul which had been postponed due to heavy electricity demand.

The law requires that each unit be shut down on a rotational basis every two years to avoid breakdown of plant and equipment. At Tuanku Jaafar, each unit is also shut down on rotation every week-end for smaller maintenance checks.

The NEB's current installed capacity of 2,160 Mw will be increased with the commissioning of the first half of the 240 Mw unit at Pasir Gudang by the end of this year. Three major hydro stations at Bersia, Kemering and Kasyir are expected to be in operation by the

end of the Fourth Malaysia Plan period, adding 507 Mw to the system.

The 180 Mw gas turbine at Connaught Bridge is also expected to be commissioned by the end of 1982 while the Paka plant, powered by offshore gas from Tranggiang, will add another 60 Mw.

Petronas is currently studying the feasibility of piping gas to the West coast.

In five years time, NEB expects that its installed capacity will more than double to a total of 4,883 Mw.

Datuk Moggi reiterated that the government's energy policy was to reduce the country's heavy dependence on oil for electricity generation by developing hydro, natural gas and coal resources.

He said that all the major hydro power resources of Peninsular Malaysia have more or less been developed. The NEB will now be directing its efforts towards the development of mini hydro projects, those less than 30 Mw.

NEW FEDERAL BUDGET ANNOUNCED

BK261331 Karachi Domestic Service in English 1700 GMT 25 Jun 81

[Excerpts] The new federal budget announced this evening is balanced, development and investment-oriented and provides relief to the fixed income groups. It lays emphasis on the development of energy and agriculture, economy cuts in expenditures on administration and rationalization of the prices of wheat, sugar and cement. It also streamlines the tax administration and provides incentives for continuous growth of exports.

Anouncing the budget over radio and television network, Federal Finance Minister Ghulam Ishaq Khan said in order to compensate the fixed income groups, who are particularly affected by the price increase, it has been decided that all government servants of all grades shall get the dearness allowance at the enhanced rate of 10 percent of pay, subject to a minimum of 100 rupees and a maximum of 250 rupees per month.

The government has decided to increase the price of cement by 100 rupees per ton and 5 rupees per bag, which would provide additional resources of 230 million rupees. The price of lube [word indistinct] oil has been increased by 1 rupee per liter to generate additional resources of 125 million rupees. There will be no increase in the prices of petrol, diesel and kerosene oil.

The finance minister said although the demand on resources arising from the total needs of development, defense, administration, social and other services are enormous, the increase in expenditure of the government has been kept well within the rate of growth of the GNP at current prices. [Words indistinct] fiscal year 1981-82 gross revenue receipts are estimated at 52.53 billion rupees, representing an increase of 5.29 billion rupees over revised estimate of 1980-81. With the general improvement in the level of economic activity and further strengthening of tax administration, sizeable increases in revenue collections are expected under all major heads. Income tax collections are budgeted to increase by 560 million rupees, customs by over 3 billion rupees, sales tax by 8.2 million rupees and excise duty by 554 million rupees.

Net revenue collection of the [words indistinct] 9.76 billion rupees as provincial share in federal revenue is placed at 42.47 billion rupees. Against this, the

revenue expenditure for the next fiscal year is estimated at 36.94 billion rupees. The revenue surplus is thus expected to be 5.53 billion rupees in the next financial year. With inclusion of capital receipts, the contribution of provincial governments and autonomous bodies to the financing of development program, non-inflationary domestic resources will amount to 6.11 billion rupees.

Foreign assistance receipts are placed at 14.21 billion rupees. The [words indistinct] being 29.59 billion rupees there will be a gap of 9.37 billion rupees which would widen further to over 11 billion rupees on account of relief measures provided in the budget. This gap is proposed to be covered by reduction in government's administrative and development expenditure, improved tax administration, raising additional non-tax revenues, reduction of subsidies and other price adjustments, additional tax measures and borrowing from the banking system.

The finance minister said there would be an economy cut of six percent on current expenditure of both the federation and the provincial governments. This cut will, however, not apply to defense outlay in view of the current geopolitical situation, the expenditure on the Afghan refugees and such other [word indistinct] payments as debt service charges.

CSO: 4220/329

BRIEFS

DEFENSE BUDGET INCREASE—Federal Finance Minister Chulam Ishaq Khan announced the new federal budget over radio and television network this afternoon. The new budget is balanced and is oriented toward development and investment. It emphasizes the development of energy and agriculture and provides for economy cuts in administrative expenditures. The taxation system has been streamlined and made more effective. A sum of 2.42 billion rupees has been allocated for national defense, thus increasing the defense expenditure. The provincial shares in federal taxes have been increased from 7.22 billion rupees to 8.98 billion rupees. The surcharge on (?super) tax has been reduced by 5 percent. [Excerpts] [BK261340 Karachi Domestic Service in Urdu 1500 GMT 25 Jun 81]

CSO: 4203/91

PHILIPPINES

NATION TO PAY MORE FOR SAUDI CRUDE

Manila BULLETIN TODAY in English 29 May 81 p 26

[Text] The Philippines stands to be affected by any move by Saudi Arabia to raise the price of its crude oil by \$2 per barrel following the end of the meeting of the Organization of Petroleum Exporting Countries (OPEC) in Geneva the other day.

Saudi Arabia announced that it was raising the price of its crude exports from \$32 to \$24 a barrel in a bid to unify OPEC pricing. [As published]

Sources at the Ministry of Energy indicated yesterday that a \$2 per barrel hike by Saudi Arabia could mean an additional \$55 million in oil payments by the Philippines for her oil imports from that country annually.

Based on a volume of 27,831,000 barrels of imports from Saudi Arabia, the proposed \$2 increase would raise the country's oil bill by \$24.5 million this year.

Saudi Arabia is the country's biggest single supplier of crude oil, accounting for almost 40 per cent of total crude importations as of 1980.

The Philippines shifted a significant share of her oil requirements from Kuwait and Iraq to Saudi Arabia since last year not only because of the war between Iran and Iraq but because of price considerations.

That was why the share of Saudi oil to total Philippine imports went up by 20.2 per cent last year. On the other hand, the suppliers brought from Kuwait and Iraq declined by 6.2 per cent and 33.9 per cent, respectively.

CSO: 4220/324

PHILIPPINES

MITI SURVEYS RP INVESTMENTS

Manila BULLETIN TODAY in English 29 May 81 p 28

[Text] The Philippines is a good place to invest in, a survey mission organized by the Japan Ministry of International Trade and Industry (MITI) said in a report issued recently.

The survey mission was here last November to help determine the form of Japan's economic cooperation with its neighboring countries in the 80s.

The mission reported that recent Philippine policies, "seem to have enabled the investors to have flexible responses."

For example, it said "realistic policies have already been enforced for the domestic supply of automobile and electronic equipment."

The mission acknowledged that foreign investments are welcome by the government here but the investments should be channelled to priority enterprises like pioneer and export-oriented projects.

It also emphasized that the investors will have no difficulties here as long as they comply with all the Philippine laws and policies.

The flexibility of Philippine policies on foreign capital is a positive factor in considering this country for investment, the survey mission said.

It stressed that the Philippine government does not intend to make big changes in the local investment policies in the future.

The mission also cited the government's political will and ability to mobilize resources to solve problems created by spiralling prices of imported crude.

"To overcome them, the five-year economic development program was begun in 1978, the 11 major national industrial projects and the five-year energy programs were implemented in 1979 and a series of aggressive countermeasures were enforced, including various export promotion measures and promotion of foreign loans," the mission report said.

CSO: 4220/324

PHILIPPINES

NATION'S RESERVE POSITION CUT TO \$2.5 BILLION

Manila BULLETIN TODAY in English 6 June 81 p 16

[Text] The Central Bank of the Philippines, as part of its international reserve management policy, intends to bring down further the level of the country's international reserves to \$2.5 billion from the present \$2.7 billion to save on costs of carrying unnecessary foreign exchange assets.

The \$2.5 billion has been adopted as the benchmark, equivalent to four months' import requirements and a level considered adequate to dampen any undue pressure on the exchange rate.

About \$600 million from the reserves at the beginning of the year would have been used up until the end of the month, mostly for oil import payments, under the CB's deliberate plan to trim down the reserves to realistic levels.

The CB felt that maintaining a level of reserves at \$2.5 billion at anytime will provide it with a psychological buffer for international reserve watchers or businessmen who make their decisions depending on the reserve situation.

It will also provide the CB with leverage in its international loans negotiations.

From a level of around 20 percent of the reserves last year, the non-interest bearing deposits of the reserves have been brought down to between 5 to 10 per cent this year, which meant that, the CB added, when it started reducing the level of the reserves, it started using up the non-interest bearing portion.

According to Deputy Governor Juan Quintos, who is in charge of the international operations of the CB, the CB is now also more active in the use of gold by placing them on deposit with banks where they can earn interest also in the form of gold.

Quintos pointed out that in the management of reserves, the CB has adopted liquidity, safety and profitability in investing these foreign exchange assets.

For instance, he said, the CB makes timely switching of the currency components of the portfolio, according to the prospective strength in the exchange markets of the international reserve currencies, since depreciation in a foreign currency can wipe out whatever interest income the CB may derive from it.

Quintos stated that the CB also tries to maximize income within prudent risk limits, as when the CB sometimes accepts lower rates on its deposits in order to have short maturity assets.

As an alternative to deposits when the rates are favorable, the CB likewise increases its holdings in bonds and other securities because of the substantially higher rate of return and the added advantage of capital gains on timely purchases and sales of securities.

However, in the purchases of securities, the CB charter limits its holdings only to foreign government and government guaranteed issues not exceeding five years.

Quintos said that along this line the CB diversifies its holdings of bonds periodically as opportunities arise, usually for better yields and shorter term issues.

Short-term borrowings of the CB are also now timed on the basis of the level, structure and trend of interest rates, vis-a-vis the foreign exchange requirements of the CB.

CSO: 4220/324

PHILIPPINES

SMALL HYDRO PLANTS UP SOON IN REMOTE AREAS

Manila BULLETIN TODAY in English 9 June 81 pp 1, 11

[Text] The First Lady and Human Settlements Minister Imelda R. Marcos announced yesterday that small hydroelectric plants would soon supply remote barangays with cheap power.

Mrs Marcos, chairman of the national electrification administration, said that such a plant is now lighting 13 homes and a schoolhouse in barangay Talampas, Bustos, Bulacan.

The Bulacan plant was developed by the Mitsubishi Electric Corp and can generate 3.2 kilowatts from river current with a speed of 2.2 meters per second. The Bulacan tests were said to be the first to be conducted throughout the world.

One hundred of the small plants, worth \$2 million, were donated by the Japanese government for the Philippine national electrification program.

Mrs Marcos acknowledged the donation during a meeting at Malacanang with Dr Akihiro Sugimura, an adviser to the Japanese cabinet; Hiroki Nitta, general manager of Heavy Electric Machines; Masaru Hasegawa and S. Yagishita of Mitsubishi Electric; and Gen Pedro Dumol, NEA general manager.

They were joined during the meeting by senior officers of the Federation of Electric Cooperatives headed by Oswaldo Parado.

Local electric cooperatives will install the mini electric plants in remote barangays that can be linked to major power grids only at great expense.

Weighing 550 kilograms, the generator can be operated effectively in canals and rivers two to four meters wide and at least one meter deep.

The current turns a propeller which turns the generator to produce electricity, it was explained. Because it floats, the equipment can be installed easily without need of big civil engineering works.

CSO: 4220/324

PHILIPPINES

COCO-CHEMICAL COMPLEX EYED

Manila BULLETIN TODAY in English 27 May 81 p 12

[Text] A \$100 million coco-chemical plant, to be set up in the Philippines, is being considered by the United Coconut Mills and Henkel Chemicals, Inc of West Germany, officials of the companies said.

The proposed plant would convert coconut oil into high-value chemicals such as glycerine and raw materials for cosmetics, plastics and industrial lubricants, the officials said.

Officials of both negotiating panels declined, however, to give details on the negotiations, saying that nothing had been finalized yet.

They said that over-the-table talks had been stopped in the last few months but they hoped to resume active negotiations by the end of June.

As officials of Henkel Chemicals (Philippines), the local representative of the German firm, said they were very much interested in pushing though the project.

Henkel Chemicals is one of the biggest buyers of Philippine coconut oil.

Meanwhile, Eduardo Cojuangco, Jr., president of Unicom, disputed claims of some sectors that the levy is borne by the coconut planters. He explained that the oil millers pay for the levy but that the assessment is placed in projects that benefit the industry and the planters like the scholarship fund, the coconut industry investment fund (CHF), insurance, price support, copra price stabilization fund, replanting program and others.

He also stressed that although coconut oil prices were very low during the first four months of 1981, the United Coconut Oil Mills (Unicom) realized an additional foreign exchange earnings of P10.5 million for the country owing to mills' efficient operations which resulted into economies of scale. The breakdown is as follows: extra dollars of P1.4 million for copra exports and about P9.1 million additional foreign exchange for the export of coconut oil.

CSO: 4220/324

PHILIPPINES

BOOK CHARGES POLICE, MILITARY MURDER CRIMINALS, SUSPECTS

Kuala Lumpur BUSINESS TIMES in English 7 May 81 p 6

[Article by Manolo B. Jara in Manila]

[Excerpts]

THE term "salvage" has acquired a new, controversial and dreadful meaning in the Philippines.

Webster's dictionary defines salvage as "to retrieve a ship or its cargo, as from a wreck; to save from fire." But in military or police parlance, the term now means the "summary execution or deliberate killing of hardened criminals or crime suspects."

And this has resulted in a controversy involving Filipino human rights advocates and the lawmen. Serving as a backdrop to the controversy is a secretly-published book, *Pumipiglas: Political Detention and Military Atrocities in the Philippines*. (*Pumipiglas* is a Filipino word meaning "struggling to be free"). The book exposes "substantiated" cases of salvaging by the military from 1975 to 1980.

Acting Supreme Court Chief Justice Claudio Teehankee first publicly articulated on "salvaging operations" and its dreadful connota-

tions in his speech before the Integrated Bar of the Philippines (IBP) April 12.

Justice Teehankee called attention to the growing public alarm over the rash of killings from what law enforcers described as shootouts.

Almost always, alleged carjackers, hold-up men, robbers, drug pushers and subversives have been killed in these shootouts.

He asked the IBP to monitor these cases "to see to it that the military and the police do not think that they have a licence to kill and do not constitute themselves as prosecutor, judge and executioner." The IBP is the umbrella organization of the country's lawyers.

There's no such thing as salvaging operations by lawmen was the quick rejoinder of Brig. Gen. Prospero Olivas to Justice Teehankee's charge. Gen. Olivas is the chief of the Metropolitan Command (Metrocom).

The Metrocom chief

explained that in shootout cases, inquest officials (prosecutors) assigned by the Justice Ministry are usually present at the crime scene for an on-the-spot investigation.

These instant inquests, Gen. Olivas said, have been possible due to the 24-hour posting, sometimes at police stations, of fiscais to investigate deaths and other grave cases.

He said there have been many instances where lawmen themselves were killed because they hesitated when such occasions arose. "It's a matter of self-defence against an armed quarry."

But a seemingly more chilling and dreadful aspect of military salvaging is revealed in the *Pumipiglas* book which was made available to *Depthnews*. It says:

"The killings give credence to the morbid possibility that the military was simply saving costs of formal arrests, detention and court

trials. They also eliminated the embarrassment of exposure by torture victims."

The book, covering the period 1975-80, is published by the Task Force Detainees of the Philippines (TFDP). The task force was organized by the Catholic Church's Association of Major Religious Superiors of the Philippines to monitor the arrests and detention of political prisoners and military abuses since 1972.

In a report submitted to Amnesty International in June 1980, the TFDP said that there were 300 cases of substantiated salvagings from 1975-1980. That number rose from 17 in 1976 to 182 in 1979. Many more remain unrecorded.

The 148-page *Pumipiglas* records dozens of these military abuses, the lives of the political prisoners while under detention and the agonies of their families. It even gives the names of the most notorious military abusers.

CSO: 4220/617

PHILIPPINES

BRIEFS

POWER LOAN OF \$18.3 MILLION--The First Lady and Human Settlements Minister Imelda R. Marcos signed an 18.3-million loan the other day for the building of six mini-hydroelectric plants in southern Cebu to provide power to 208 barangays. She signed the loan as chairman of the national rural electrification administration. China will supply the mini-hydro plants, to be put up in the towns of Barili, Badian and Dimanjug, with a total output of 1,300 kilowatts. Dr Nestor R. Villamor signed for the Cebu Electric Cooperative I, which is charged with completing the project within 12 months. The First Lady, as chairman of the rural water development corporation, also signed a loan for 306,000 to buy well drills, called Balrig II, to dig wells in the rural areas of Cebu. [Excerpt] [Manila BULLETIN TODAY in English 2 Jun 81 p 1]

GOOD PROGRESS IN ECONOMIC RESTRUCTURING

Kuala Lumpur BUSINESS TIMES in English 13 May 81 p 6

[Article by Francis Daniel in Singapore]

(Text) SINGAPORE'S two-year-old effort to restructure its economy seems to be making good progress and the government is confident of joining the league of industrial nations before the end of the decade.

Initial gloom predictions and concern about sharp wage increases designed to attract a higher level of industry have given way to a mood of optimism about the restructuring scheme, known here as the "second industrial revolution".

A 10-year master plan, the broad outlines of which were unveiled in Parliament recently, laid stress on the government's commitment to support and guide the upgrading of industries and services under the scheme.

The Minister for Trade and Industry, Mr Goh Chok Tong, who was given the task of launching the second industrial revolution in June 1979, told Parliament that one of the main aims of the new strategy was to attain the present Japanese standard of living by 1990.

It was also to ensure a growth rate of eight to 10 per cent a year throughout the 1980s despite an "inhospitable world economic climate," Mr Goh said.

The government, he said, would not be a mere

policymaker but would assume the role of an entrepreneur to pioneer and stimulate new industries and services.

Most of the official confidence is because foreign investments commitments rose last year to a record \$61.4 billion despite the government-supported higher wages policy.

Singapore's economy also grew robustly in 1980 by 10.2 per cent, its highest since the oil crisis of 1973. It was also the best among the developing nations of South-East Asia.

In a survey last month, the US Embassy here reversed an earlier gloomy forecast and said the second industrial revolution was heading for success, particularly because of constructive government intervention in shaping the economy.

A year ago, the embassy had expressed doubt that Singapore would achieve all its objectives under its new economy policy, which, it said, had "more theoretical appeal than validity."

Some leading industrialists and businessmen also earlier expressed doubt that the restructuring scheme, based on higher wages alone, would increase productivity levels and skills.

The prime objective of the new strategy is to develop Singapore into a

modern industrial economy based on science, technology, skills and knowledge and a "financial supermarket."

Singapore already has one of the highest standard of living in Asia with a per capita annual income of US\$4,000. But labour-intensive industries still provide the backbone of the manufacturing sector.

Government leaders, including Prime Minister Lee Kuan Yew, say that Singapore must upgrade its industries to avoid damage from growing trade protectionism and maintain its prosperity.

Capital-intensive and technologically-sophisticated products are apt to encounter less protectionist pressures in future than labour-intensive ones, they contend.

Many existing international companies in Singapore have already announced plans to upgrade their manufacturing operations, investing in new capital equipment and technology in line with the government's restructuring programme.

Officials here say that this was encouraging, particularly as the government had allowed the national wage bill to rise by more than 80 per cent since 1979 as part of its drive to divest itself of labour-intensive industries.

However, the govern-

ment has made clear that wage increases after this year will not be automatic but linked to productivity and other market factors.

Although the second industrial revolution has not brought any major dislocation of industries, it is apparent that some labour-intensive industries will be gradually phased out.

But in the present full-employment situation, Singapore would find little difficulty in absorbing workers left jobless as the restructuring programme gained momentum, officials said.

The government already has set up a skill development fund to retrain and upgrade such workers.

Some local manufacturers of labour-intensive products, particularly in the textile and garment industry, just refuse to mechanise their production and upgrade the value of their goods.

Despite the increasing confidence in the second industrial revolution, Mr Goh sounded a warning that investment commitments in the future, particularly by Japan, were less reassuring.

But the upgrading of the economy would be speeded up. "The crunch will come in 1983-84, if the world economic and political outlook does not improve," he said. — Reuter

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